

114. Also, communication of secretary Oklahoma Pharmaceutical Association, urging the reduction of taxes on alcohol used in manufacture of medicines; to the Committee on Ways and Means.

115. By Mr. KINDRED: Petition of the Sheffield Manor Men's Club, protesting against the inactivity of the National Senate and House of Representatives with reference to the coal situation; to the Committee on Interstate and Foreign Commerce.

116. Also, petition of the Central Label Council of Greater New York, calling upon the Congress of the United States to conduct a thorough investigation of the plans and activities of the proposed bread trust; to the Committee on the Judiciary.

117. By Mr. McKEOWN: Petition of the Fortnight Club, of Colgate, Okla., favoring the World Court; to the Committee on Foreign Affairs.

118. Also, petition of American Legion, of Oklahoma, on extension of time to convert term insurance; to the Committee on Ways and Means.

119. Also, resolution of the United Confederate Veterans in convention, Dallas, Tex., to accompany House bill 3894, distributing \$50,000,000 "cotton-tax fund"; to the Committee on Invalid Pensions.

120. By Mr. MORROW: Petition of Belen Chamber of Commerce, in regard to the Federal income tax law; to the Committee on Ways and Means.

121. By Mr. O'CONNELL of Rhode Island: Resolution of the Pawtucket Business Men's Association, relative to the erection of a new post office and Federal building at Pawtucket, R. I.; to the Committee on Public Buildings and Grounds.

122. By Mr. SINCLAIR: Petition of H. L. Shuttleworth and 37 others, of Minot, N. Dak., for a reduction on the tax on industrial alcohol; to the Committee on Ways and Means.

123. By Mr. WEFALD: Petition of 29 Chippewa Indians of International Falls, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

124. Also, petition of 36 Chippewa Indians of Lengby, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

125. Also, petition of 100 Chippewa Indians of Cass Lake, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

126. Also, petition of 37 Chippewa Indians of Callaway, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

127. Also, petition of 60 members of the Fond du Lac Band of Chippewa Indians of Minnesota, asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

128. Also, petition of 10 Chippewa Indians of Minneapolis, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

129. Also, petition of 27 Chippewa Indians, of Ebro, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

130. Also, petition of 24 Chippewa Indians, of Federal Dam, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

131. Also, petition of 16 Chippewa Indians, of White Earth, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

132. Also, petition of 75 Chippewa Indians, of Sprofska's Mill, Minn., asking Congress to enact a law providing for a per capita payment of \$100 for the Chippewa Indians of Minnesota, the payment to be made from the tribal funds of the Chippewas; to the Committee on Indian Affairs.

SENATE

WEDNESDAY, December 16, 1925

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our heavenly Father, the author of our being, Thou dost continue unto us in Thy gracious kindness our lives for high purposes, noble endeavor, and the glory of Thy name. Be pleased to look into our hearts this morning and give us such a sense of Thy presence that all that is done may be for the advancement of the highest interests of humanity, for the glory of the Kingdom of God in the uttermost parts of the earth, and to our own loved land and all its responsibilities. Be pleased to be near to each of us and guide us along life's pathway until the day shadows into the night, to the glory and honor and praise of Thee, our God, in Jesus Christ. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on the request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

REPORT OF THE NATIONAL SOCIETY, DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the National Society of the Daughters of the American Revolution for the year ended March 1, 1925, which, with the accompanying papers, was referred to the Committee on Printing.

PAYMENTS BY WAR DEPARTMENT TO LEATHER MANUFACTURERS

The VICE PRESIDENT laid before the Senate a communication from the Comptroller General of the United States, transmitting a report with reference to payments made by the War Department to certain leather manufacturers, members of the National Saddlery Manufacturers' Association, in reimbursement of increase of wages paid to workmen when the contracts with said manufacturers did not provide therefor, etc., which, with the accompanying papers, was referred to the Committee on Appropriations.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTIONS SIGNED

A message from the House of Representatives by Mr. Hattigan, its reading clerk, announced that the Speaker of the House had affixed his signature to the following enrolled joint resolutions, and they were thereupon signed by the Vice President:

S. J. Res. 1. Joint resolution to continue section 217 of the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes (Public, No. 506, 68th Cong.), approved February 28, 1925, in full force and effect until not later than the end of the second week of the second regular session of the Sixty-ninth Congress; and

H. J. Res. 67. Joint resolution authorizing payment of salaries of the officers and employees of Congress for December, 1925, on the 19th day of that month.

PERSONAL EXPLANATION

Mr. BRUCE. Mr. President, I rise to a question of personal privilege, and I shall take but a moment.

I observe in the Washington Post this morning a statement by Mr. Wayne B. Wheeler, general counsel of the Anti-Saloon League. In referring to the discussion of yesterday in regard to national prohibition, in which the Senator from New Jersey [Mr. EDGE] and I participated, he said:

Neither Senator EDGE nor Senator BRUCE provided any new argument in the Senate yesterday against prohibition or for beer. If prohibition was as much of a failure as these two wet Senators claim, they would not complain so much about it. Their arguments do not come from the fullness of their hearts, but from the emptiness of their stomachs.

All I wish to say in reply is that from specimens of Mr. Wayne B. Wheeler's reasoning which I have read in the press from time to time, I am convinced that his arguments come from the emptiness of his head. [Laughter.]

PETITIONS

Mr. CAPPER presented resolutions adopted by a mass meeting of citizens of Topeka, Kans., favoring the participation of the United States in the Permanent Court of International Justice upon the terms of the so-called Harding-Coolidge plan, which were referred to the Committee on Foreign Relations.

Mr. WILLIS presented a petition of sundry citizens of Leipsic, Ottawa, Columbus Grove, and Vaughnsville, all in the State of Ohio, praying for the adhesion of the United States to the Permanent Court of International Justice, which were referred to the Committee on Foreign Relations.

Mr. JONES of Washington presented petitions of the Woman's Century Club, the Woman's City Club, the Woman's Democratic Club, and Colonel Ethan Allen Circle, No. 61, Ladies of the Grand Army of the Republic, all of Seattle, and of the Tacoma Daughters of Pioneers of Washington, in the State of Washington, praying for the passage of legislation establishing a universal salute for the national flag, which were referred to the Committee on Military Affairs.

REPORTS OF THE LIBRARY COMMITTEE

Mr. FESS, from the Committee on the Library, to which were referred the following bill and joint resolution, reported them each without amendment:

A bill (S. 90) to amend an act entitled "An act to create a Library of Congress trust fund board, and for other purposes," approved March 3, 1925; and

A joint resolution (S. J. Res. 20) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

SENATOR FROM NORTH DAKOTA

Mr. ERNST. Mr. President, the Committee on Privileges and Elections instruct me to present the majority report (No. 3) and the views of the minority in the case of GERALD P. NYE, appointed a Senator from North Dakota.

The committee simply want to file these reports now, but have instructed me to give notice that upon the reassembling of the Senate after the Christmas holidays they will push the case for an immediate hearing.

Mr. ROBINSON of Arkansas. Mr. President, is the Senator from Kentucky filing both the majority and minority report? Mr. ERNST. Both reports are filed together.

The VICE PRESIDENT. Without objection, the reports will be received and placed on file.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 1720) to provide for the construction of certain public buildings in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. COPELAND:

A bill (S. 1721) granting an increase of pension to Margaret F. Gallaher; to the Committee on Pensions.

By Mr. JONES of New Mexico:

A bill (S. 1722) to provide for the disposition of bonuses, rentals, and royalties received under the provisions of the act of Congress entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, from unallotted lands in Executive order Indian reservations, and for other purposes; to the Committee on Indian Affairs.

By Mr. BAYARD:

A bill (S. 1723) granting a pension to Harriet A. Callaway; A bill (S. 1724) granting a pension to John Climer; and

A bill (S. 1725) granting a pension to William T. Smith; to the Committee on Pensions.

A bill (S. 1726) for the relief of the Atlantic & Caribbean Steam Navigation Co.;

A bill (S. 1727) for the relief of Carib Steamship Co. (Inc.);

A bill (S. 1728) for the relief of the owners of the steamship *San Lucar* and of her cargo;

A bill (S. 1729) to authorize payment of an indemnity to the Government of Norway on account of the losses sustained by the owners of the Norwegian bark *Janna* as a result of a collision between it and the U. S. S. *Westwood*;

A bill (S. 1730) to authorize the payment of indemnity to the Government of Great Britain on account of losses sustained by the owners of the British steamship *Mavisbrook* as a result of collision between it and the U. S. transport *Carolinian*;

A bill (S. 1731) to authorize the payment of an indemnity to the Government of Sweden on account of losses sustained by the owners of the Swedish steamship *Olivia* as a result of a collision between it and the U. S. S. *Lake St. Clair*;

A bill (S. 1732) to authorize the payment of an indemnity to the Government of Norway on account of the losses sustained by the owners of the Norwegian steamship *John Blumer* as a result of a collision between it and a barge in tow of the U. S. Army tug *Brittania*; and

A bill (S. 1733) to authorize the payment of an indemnity to the Government of Denmark on account of losses sustained by the owners of the Danish steamship *Masnedund* as the result of collision between it and the U. S. S. *Siboney* and U. S. Army tug No. 21 at St. Nazaire, France; to the Committee on Claims.

By Mr. CUMMINS (by request):

A bill (S. 1734) to regulate interstate commerce by motor vehicles operating as common carriers on the public highways; to the Committee on Interstate Commerce.

By Mr. LENROOT:

A bill (S. 1735) for the relief of the devisees of William Rusch, deceased; to the Committee on Public Lands and Surveys.

By Mr. JONES of Washington:

A bill (S. 1736) to amend subdivision E of section 2 of an act entitled "An act to amend the act to prohibit the importation and use of opium for other than medical purposes," approved February 9, 1909, as amended; to the Committee on the Judiciary.

A bill (S. 1737) granting a pension to Francis A. Land; to the Committee on Pensions.

A bill (S. 1738) for the relief of Francis A. Land; to the Committee on Military Affairs.

By Mr. GREENE:

A bill (S. 1739) providing reimbursement for loss of personal effects of the officers and employees of the Public Health Service destroyed by fire at United States Public Health Service Hospital, Greenville, S. C., November 7, 1919; to the Committee on Claims.

By Mr. METCALF:

A bill (S. 1740) granting a pension to Henry L. Esten;

A bill (S. 1741) granting an increase of pension to Irene G. C. Beargeon; and

A bill (S. 1742) granting an increase of pension to Edwin E. Anthony; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 1743) for the relief of Albert Wood; to the Committee on Claims.

A bill (S. 1744) granting a pension to Eliza Wray; and

A bill (S. 1745) granting an increase of pension to Catherine E. Mauts; to the Committee on Pensions.

By Mr. EDGE:

A bill (S. 1746) to authorize the Secretary of Commerce to transfer the Barnegat Light Station to the State of New Jersey; to the Committee on Commerce.

A bill (S. 1747) for the relief of the estate of Henry T. Wilcox; and

A bill (S. 1748) for the relief of the estate of George B. Spearin, deceased; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 1749) granting a pension to Orilla J. Luyster (with accompanying papers); to the Committee on Pensions.

A bill (S. 1750) to establish a woman's bureau in the Metropolitan police department of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 1751) to provide for uniform regulation of marriage and divorce; to the Committee on the Judiciary.

By Mr. WADSWORTH:

A bill (S. 1752) for the relief of the Near East Relief (Inc.); to the Committee on Claims.

By Mr. RANDELL:

A bill (S. 1753) authorizing a survey for the control of excess flood waters of the Mississippi River below Red River Landing, in Louisiana, and on the Atchafalaya outlet by the construction and maintenance of controlled and regulated spillway or spillways, and for other purposes; to the Committee on Commerce.

By Mr. DILL:

A bill (S. 1754) reaffirming the use of the ether for radio communication or otherwise to be the inalienable possession of the people of the United States and their Government, providing for the regulation of radio communication, and for other purposes; to the Committee on Interstate Commerce.

Mr. DILL. Mr. President, there is a question of jurisdiction here. Bills relating to radio have sometimes gone to the Commerce Committee and sometimes to the Interstate Commerce Committee, but, in view of the fact that our power to regulate radio is given by the interstate-commerce clause of the Constitution, it seemed to me that the bill should go to the Committee on Interstate Commerce.

Mr. JONES of Washington. I desire to say that in my judgment the bill which my colleague has introduced could very properly go to either the Committee on Interstate Commerce or the Commerce Committee, and for that reason I make no objection to the reference of the bill to the Com-

mittee on Interstate Commerce. The Committee on Commerce has about all it can do, anyhow.

The VICE PRESIDENT. The bill will be referred to the Committee on Interstate Commerce.

By Mr. McKINLEY:

A bill (S. 1753) for the relief of Francis J. Young; to the Committee on Claims.

A bill (S. 1756) granting an increase of pension to Thomas E. Roberts (with accompanying papers);

A bill (S. 1757) granting a pension to O. R. Van Ostrand (with accompanying papers);

A bill (S. 1758) granting an increase of pension to Mary S. Fuller;

A bill (S. 1759) granting an increase of pension to Margaret C. Porter (with accompanying papers);

A bill (S. 1760) granting a pension to Zachariah T. Pryor (with accompanying papers);

A bill (S. 1761) granting an increase of pension to Michael Quinlan (with accompanying papers);

A bill (S. 1762) granting a pension to John A. Robinson (with accompanying papers);

A bill (S. 1763) granting a pension to A. Severs (with accompanying papers);

A bill (S. 1764) granting a pension to John Sundberg (with accompanying papers); and

A bill (S. 1765) granting an increase of pension to George M. Withers (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 1766) to establish the Roosevelt national park in Billings County, N. Dak.; to the Committee on Public Lands and Surveys.

By Mr. ODDIE:

A bill (S. 1767) for the relief of Benjamin F. Spates; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 1768) authorizing a quarantine station at Sabine Pass, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. ROBINSON of Indiana:

A bill (S. 1769) granting a pension to Maggie D. Snack with accompanying papers; to the Committee on Pensions.

By Mr. SMOOT:

A joint resolution (S. J. Res. 29) to provide for appropriate military records for persons who, pursuant to orders, reported for military duty but whose induction or commission into the service was not, through no fault of their own, formally completed on or prior to November 11, 1918, and for other purposes; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 30) authorizing the establishment of a commission to be known as the sesquicentennial of American independence and the Thomas Jefferson centennial commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence and the one hundredth anniversary of the death of Thomas Jefferson, the author of that immortal document; to the Committee on the Library.

By Mr. CAPPER:

A joint resolution (S. J. Res. 31) proposing an amendment to the Constitution of the United States relative to marriage and divorce laws; to the Committee on the Judiciary.

PROPOSED INVESTIGATION OF FOREIGN INDEBTEDNESS

Mr. REED of Missouri. Mr. President, I submit a resolution, which I ask to have read.

The VICE PRESIDENT. The resolution will be read as requested.

The Chief Clerk read the resolution (S. Res. 91), as follows:

Resolved, That the Committee on Foreign Relations, or any subcommittee thereof, is authorized and directed to investigate and ascertain whether any foreign government or any citizens or corporations of any foreign countries are or have been expending or furnishing any moneys or credits for the purpose of directly or indirectly influencing the action of the Government of the United States, and particularly of the Senate of the United States, in any manner affecting the foreign policies or relations of the United States. Said committee shall further investigate and ascertain the ability of the foreign countries indebted to the United States to pay and discharge said indebtedness. Further, said committee shall ascertain the extent to which individuals, firms, or corporations have made loans to foreign countries indebted to the United States or to the individuals or corporations of said countries, the disposition of the proceeds of such loans, and the terms and conditions under which such loans were made. And also to ascertain

what moneys have been pledged or expended and what organizations exist to affect the action of the Government of the United States in its relations or contemplated relations with foreign governments.

Said committee shall report at the earliest possible time.

Mr. REED of Missouri. I ask unanimous consent for the present consideration of the resolution.

Mr. CURTIS. Mr. President, I hope that the Senator will let the resolution go over. I think it ought to go over until the Senator from Idaho [Mr. BORAH], who has just entered the Chamber, has had a chance to look at it. Let it go over until to-morrow under the rule.

Mr. REED of Missouri. I will say to the Senator that I am compelled to leave the city to-morrow afternoon and I wanted to get this matter disposed of before that time if possible.

Mr. CURTIS. I would like to talk with the chairman of the Foreign Relations Committee with reference to the resolution. I never heard anything about it until it was read at the desk, and I presume the chairman of the Foreign Relations Committee knows nothing about it. Under the rule it should go over until to-morrow.

Mr. REED of Missouri. Of course, if the Senator insists on it that course must be taken.

Mr. CURTIS. I ask that it go over until to-morrow under the rule.

The VICE PRESIDENT. Under the rule the resolution will be printed and go over until to-morrow.

INVESTIGATION OF CROP INSURANCE

Mr. McNARY submitted the following resolution (S. Res. 92), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That a committee, to be composed of three Senators appointed by the President of the Senate, is authorized and directed to investigate the subject of crop insurance, particularly with reference to (1) the kinds and costs of insurance now obtainable; (2) the adequacy of the protection afforded by such insurance; (3) the desirability of and practical methods for extending the scope of such insurance; and (4) the availability and sufficiency of statistics necessary to properly and safely issue additional crop insurance. Within six months after the adoption of this resolution the committee shall report to Congress the results of its investigations, together with its recommendations, if any, upon the most practical and efficient methods whereby the farmer can obtain, at a reasonable cost, adequate and safe crop insurance.

Such committee is authorized to hold hearings at such times and places as it may deem advisable, to send for persons and papers, to administer oaths, and to employ stenographers to report such hearings at a cost not exceeding 25 cents per 100 words to be paid from the contingent expenses of the Senate.

FLOOD CONTROL IN THE SACRAMENTO AND SAN JOAQUIN VALLEYS

Mr. JONES of Washington. Mr. President, I desire to submit to the Senate letters from the Secretary of War and the Chief of Engineers, transmitting a report by the Board of Engineers for Rivers and Harbors with reference to a report by the California Débris Commission in answer to a resolution of the Committee on Commerce. I ask that the report and accompanying papers be printed as a Senate document with an illustration.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESS BY SECRETARY OF STATE ON SOME FOREIGN POLICIES OF THE UNITED STATES

Mr. WILLIS. Mr. President, on the evening of December 14, in the city of New York, the Secretary of State, a former distinguished Member of this body, delivered a notable address, which I think should be given rather wide publicity. I therefore ask that it be printed in the RECORD and also be printed as a Senate document.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio?

Mr. SMOOT. Mr. President, it has always been the rule in the past to print such addresses either in the RECORD or as a public document. I think the Senator ought to confine his request to one or the other. I have no objection if he desires to have the address printed in the RECORD, or, if not in the RECORD, to have it printed as a public document, but not both.

Mr. WILLIS. I think under the circumstances, on the suggestion of the Senator from Utah, I will ask to have it printed in the RECORD.

The VICE PRESIDENT. If there is no objection, it is so ordered.

The address is as follows:

SOME FOREIGN POLICIES OF THE UNITED STATES

(Address of the Hon. Frank B. Kellogg, Secretary of State, at the dinner of the Council on Foreign Relations, Hotel Ritz-Carlton, New York City, the evening of December 14, 1925)

During my residence abroad as ambassador to Great Britain and often in this country I have been asked the question, "What is the foreign policy of the United States?" or "Has the United States a foreign policy?" These questions, pertinent as they seem, often imply a certain amount of loose thinking. While the President or the Secretary of State may announce some radical change in our foreign policies, in the main it does not issue fully formed from the brain of any one man. It is something that grows and develops from the continuing task of guiding and regulating the relations of this Nation with other nations from hour to hour and day to day.

In the first place, there appears to be a popular impression that the Secretary of State, sitting in an office decorated with portraits of Jefferson, Clay, Webster, Seward, Blaine, Root, Hughes, and other distinguished predecessors and drawing inspiration from their lives, considers some great problem of international affairs which will go down in history as a distinctive American policy. I am somewhat loath to dispel this pleasing delusion. As a matter of fact, the Secretary of State through long hours is occupied with handling specific questions, many times of great moment, involving our relations with foreign countries, such as the construction of a treaty, the protection of American citizens abroad, the consideration of pecuniary claims by or against a foreign government, with passing upon questions of the rights of aliens in this country, or the determination of how best to foster American commerce in some distant part of the world. Few realize that the State Department is the medium through which all the departments of the Government communicate with foreign nations, and how tremendously the activities of this Government have increased in the last few years. Let us then get clearly in mind that the foreign policy of a country is a slow growth.

If you want to know what it is at a given moment you must take into account long-established custom, development of the principles of international law, treaties, and conventions—in fact, the whole history of the country, so far as its international relations are concerned—and when we mention treaties it is well to remember that these important expressions of foreign policy are not controlled by the executive branch of the Government alone. The Senate participates in the making of treaties. Personally, I regard this procedure as of first importance, the wisdom of which is testified to not only by the experience of this country but by the fact that the practice of submitting treaties for legislative approval is becoming more and more general. The framers of our Constitution believed that the independence, peace, and progress of the Nation depended to a great extent upon treaties made with foreign countries and that the treaty-making power should not, as was the case in some countries, be vested in the Executive alone or in the Executive and a mere majority of the Senate. However, this circumstance does to a degree militate against the concise definition of foreign policy by the Executive. In so far as foreign policy is embodied in rules for the conduct of international relations it will be found that there is great similarity the world over. All civilized nations now have much the same treaties of amity, commerce, and extradition, as well as postal, sanitary, copyright, and trade-mark conventions. But it is the original and distinctive features of foreign policies that really concern us most. Of these, the United States, in the course of the past century and a quarter, has accumulated its share. Our form of government, our geographical situation, our commercial needs, that indefinite factor which we designate our national characteristics, have all contributed to give color and form to our policy. For there can not be a bit of doubt that we do have a foreign policy resulting from the play and interplay of the factors I have just mentioned, one that is not the work of any individual or of any administration, simply the traditional and historically developed policy of the United States which every Secretary of State strives faithfully to interpret and apply. It is of two or three features of this policy that I would speak to you to-night.

I suppose all men will agree that the feature of our policy which gives it its chief distinction and at the same time is least understood and appreciated by the rest of the family of nations is the fixed determination to avoid participation in purely European political matters. This policy has its roots deeply embedded in our history, and we have clung to it consistently ever since we came to be a Nation. Its influence is no less controlling to-day than when the Farewell Address of Washington was delivered. Not since 1798 has the United States been a party to any military alliance with a foreign power. We shall go to the very limit of reasonable cooperation for all legitimate purposes, but we will not under any circumstance commit ourselves to the European system of alliances and counteralliances to maintain the balance of power upon that Continent. In Europe for centuries there have existed political combinations formed among

nations to maintain the so-called balance of power—alliances offensive and defensive containing military commitments, such as the holy alliance, the triple alliance, and the triple entente, which preceded the Great War. These undoubtedly have been caused in some cases by a feeling of insecurity, many times caused by national jealousies, racial animosities, or commercial antagonisms. It is doubtful if they have ever really contributed to the maintenance of peace. They have contributed to competition in building both naval and military armament, and when war has come have broadened its scope and intensified the conflicts. It is these political commitments and military alliances which it has been the policy of the United States to avoid.

Much is constantly being said, especially in the foreign press, about our isolation as a country, our refusal to cooperate with other countries in the settlement of the economic and political problems now confronting the world. The difference between being a party to a political or military alliance and cooperating with and lending assistance in the economic restoration of the world is very wide. I believe that, within the limitations of its policy, the United States has cooperated in every way in solving the grave problems confronting Europe and lending encouragement and assistance in this economic reconstruction.

The United States has never turned a deaf ear to the call of distress, nor has it ever refused assistance when its aid has been sought in a way which would not involve us in the political controversies and domestic affairs of other countries. As a further evidence of the fact that the United States is not holding aloof from world affairs, I may say that this Government has sent representatives to postal, sanitary, and telegraph conferences, is represented in the agricultural conference, and has had representatives in the opium conference and the conference for the limitation of the sale of munitions of war and many others. The last two mentioned were held in Geneva during the present year. They were called by the League of Nations, but did not include simply countries belonging to the league. In the conference for the limitation of the sale of munitions of war we entered into a treaty providing generally for publicity in the sale of arms and munitions of war and included in the protocol the provision of the treaty of Washington prohibiting the use of poisonous gases in war. The United States has always been willing to attend these conferences and to aid in every way in the establishment of principles for the advancement of science, of trade and commerce, for the amelioration of the horrors of war, the settlement of the principles of international law, the prevention of disease, the aiding of agricultural and other activities which are subjects of international consideration.

Since the World War evidence that Europe is making a sincere effort to free itself from the old system of balance of power supported by military alliances is unmistakable. Recent events justify the hope that mutual distrust with its hateful paraphernalia, balance of power, military alliances, etc., may really be replaced by mutual confidence with its normal accompaniments, conciliation and arbitration. The Locarno conference is an outstanding accomplishment. While it contains military guarantees to Belgium, France, and Germany, it is not conceived on the basis of the old balance of power which divided Europe into military camps, ever jealous of each other and striving for additional armament and power. On the contrary, it was conceived in the spirit of uniting the European nations in a common pact of security and for conciliation, arbitration, and judicial settlements rather than an appeal to the arbitrament of arms. It followed naturally and completed the work of the Dawes committee, the London and Paris conferences.

When the Dawes committee took up its task reparations were not being paid, Germany was bankrupt and her economic and financial conditions presented an almost insuperable obstacle in the path of European peace and prosperity. The armies of France and Belgium were in the Ruhr and the rule of force at that moment had displaced the rule of law. The adjustment of these problems lay at the very foundation of the restoration of Europe and the maintenance of peace. The Dawes committee, made up of representatives of each of the Allied Powers and two citizens of this country, approached the constructive settlement of this problem on its economic side in the spirit of fairness to all nations which had engaged in the war. This was not a political committee. It was simply a group of business men applying practical common sense to the situation and thus laying the foundation, not only for economic but, for political stability in Europe.

After the Dawes committee had finished its labors, the London conference followed naturally and paved the way for the evacuation of the Ruhr and the Rhineland sectors. Germany's industries were restored to her; her payments to all of the Allied and Associated Powers were fixed; her banking system and currency were reorganized and arbitration was provided as a means of settling all disputes that might arise in this connection.

The Paris conference, which came next, regulated the distribution of German reparation payments among the Allied and Associated Powers.

Finally came the Locarno conference to deal with the purely political phases—security for France and Belgium and the prevention

of war throughout Europe. I shall not attempt to describe in detail the agreements entered into at Locarno. England, France, Italy, Belgium, and Germany entered into a treaty of mutual guaranty whereby the frontiers between Germany and Belgium and between Germany and France as fixed by the treaty of Versailles were declared inviolable.

This was supplemented by treaties of reciprocal guarantee between France and Poland and France and Czechoslovakia, providing that in the event of failure of observance of the other treaties forming a part of the general settlement, the contracting parties would lend to each other immediate aid and assistance, if such failure is accompanied by an unprovoked recourse to arms. Then separate conventions of arbitration were entered into by Germany with France, Poland, and Czechoslovakia whereby it was agreed that future disputes of every kind which can not be settled amicably by the normal methods of diplomacy shall be submitted either to an arbitral tribunal or to the Permanent Court of International Justice with the possibility of submitting such disputes in their preliminary stages to permanent conciliation commissions set up for the purpose. Here was not the old balance of power sustained by alliances on each side struggling constantly to maintain supremacy, both land and naval, but here was a regional pact, the very cornerstone of which was conciliation and arbitration, and certain guarantees entered into not only by the Allies but by Germany which must have a lasting effect upon the peace and prosperity of Europe.

I do not claim that the peace of the world is always going to be maintained by treaties and conventions or by conciliation commissions, arbitration, or judicial tribunals. These are powerful instruments for peace which, if the higher ideals of mankind are ever to be realized, must be the medium through which international disputes are to be settled. I place as much store upon the spirit of Locarno as upon the treaties of Locarno. I had the honor to represent the United States at the London and Paris conferences, and there was evidence at those conferences of a desire for accommodation, a spirit of helpfulness, and a wish to substitute arbitration for force which gave me great hope for the future of Europe.

I have seen comments in the European as well as some of the American press about the relation of the United States to these European questions which I exceedingly regret. They have been to the effect that the United States has held aloof, that it has not been willing to cooperate and lend its aid, that Europe at Locarno was able to settle its own problems without the assistance of the United States. As I have stated, it has been the settled policy of the United States not to interfere in purely European questions, certainly not unless invited, and there was no reason to invite the United States to attend the Locarno conference. It was called to settle purely European political questions involving regional guaranties directly affecting only those countries, and generally affecting the rest of the world only as it is concerned for the peace of Europe. The people of the United States were interested in all of these movements just as they are interested in every movement for the peace and advancement of civilization. I am sure that no people have been more gratified than the American people by the success of the London and the Locarno conferences.

CHINA AND THE FAR EAST

In China I think it may be said that we have a liberal and forward-looking policy. The United States has always been friendly to China. John Hay was foremost in advancing the open door—in other words, equal opportunity for trade, commerce, and intercourse with China as opposed to special concessions, spheres of influence, and leased territories. At the Washington conference a step forward was taken in the adjustment of the many Pacific and Far Eastern questions to which all the nine powers were a party. The treaties framed at the conference are, of course, familiar to everyone, but they deserve brief mention because their execution is taking place during my administration of the State Department.

As you know, for many years since 1842 the tariffs which the Chinese might apply to foreign products and the control that the Chinese Government might exercise over the actions and property of foreigners living in China have been regulated by formal conventions between China and the several powers. One of the Washington treaties provided for a tariff conference, to be held at Peking within three months after its ratification, for the purpose of giving consideration to China's desire for higher tariff rates. A commission was provided for by Resolution V of the conference to investigate the subject of extraterritoriality and report what steps will be necessary as preliminary to the renunciation of extraterritorial rights. The tariff treaty was not ratified until August 6 of this year, and the conference is now in session in Peking. So far there is evidence that this conference is endeavoring to find a means of meeting the desires of China. It has unanimously adopted a resolution whereby the powers recognize China's right to enjoy tariff autonomy and agree to remove the tariff restrictions contained in existing treaties between them respectively and China. The powers consent to the going into effect

of the Chinese national tariff law January 1, 1929, while China agrees to abolish what is known as "likin"—that is, local taxes on goods in transit within China—simultaneously with the enforcement of the Chinese national tariff law. The duties on exports and imports to be applied pending the abolition of likin and the granting of tariff autonomy are now being considered. The commission on extraterritoriality, composed of commissioners, one from each of the Washington treaty powers and from such other powers having by treaty extraterritorial privileges in China as adhere to the Washington resolution, is to meet in Peking on the 18th of December. I have every hope that the aspirations of China to regain the control over her tariffs and to establish the jurisdiction of her courts over foreigners living within her borders will be worked out by the conference with the assistance of the commission on extraterritoriality.

It must not be forgotten, however, that the tariff conventions and extraterritorial rights were not forced upon China for the purpose of extending foreign influence, but were made by mutual agreement for the purposes of aiding commerce, protecting foreign citizens, and settling long-standing, difficult questions between China and the other nations. I believe the time has passed when nations capable of maintaining self-government can be expected to permit foreign control and domination. Nevertheless, one of the difficulties with which foreign countries have to deal in the case of China is the instability of its Government and the constant warfare between various contending political factions. China is a great nation; it has made wonderful progress, and is now struggling to maintain a republic. In this she has the sympathy and good will of the American people, and everything that we can legitimately do to aid her should be done.

FOREIGN DEBTS

This is a subject which I have refrained from discussing in the press or in public speeches, and I would not now do so but for certain criticisms in the foreign press and, I think, some misunderstanding of the situation among our own people. I do not, of course, lay the blame for press criticism upon the foreign governments, but there has been much said of late about the harsh terms imposed by us upon our debtors. Many have considered that we might have been more liberal toward the Allies with whom we fought and possibly might have canceled altogether their indebtedness to us. I want to say to you now that I believe this Government has at no time been unmindful of the suffering and losses of the debtor nations and the staggering burdens which their peoples are carrying. We have gone just as far as we possibly could in recognition of these extraordinary and deplorable conditions. Let me briefly review the facts: Some adjustment of these unprecedented international obligations was necessary from every point of view. The time had come when the United States must take action to settle this much-discussed and troublesome debt question. It was not only necessary as a domestic question, but it was equally necessary if Europe was to be rehabilitated, international credit maintained, currencies stabilized, budgets balanced, and the industries of Europe restored. I believe, in the main, foreign governments have come to take this view of the question. We have not hurried anybody. These obligations were all of long standing, and the time to take action had arrived. It is true that many of those countries suffered more than the United States, because they were the immediate theater of the war and lay in the path of its devastation.

Yet it should be remembered that had the United States not intervened the losses of these debtor countries would have been incalculably greater. And the broad facts relating to our intervention can not be lost sight of. We sent 2,000,000 men to foreign shores and mobilized our economic and man power to the limit. In the brief space of two years the United States spent nearly \$30,000,000,000 on the war, in addition to \$10,000,000,000 loaned to its allies. All of the \$30,000,000,000 was an economic loss to the United States, and the full measure of such loss can not be arrived at without adding the extremely heavy burden entailed by the subsequent readjustment of artificially stimulated industry. During the war and for two years thereafter we imposed upon our people a burden of taxation equal to any, and in most cases far exceeding that imposed by any nation of Europe.

When we borrowed \$10,000,000,000 from our own people and loaned it to foreign governments, we did so under specific agreements for repayment at the particular request of the foreign governments that such financial assistance should take the form of loans and not subsidies. The American people to-day pay taxes to meet the obligations which their Government thus incurred.

Furthermore, a large part of these loans to foreign governments was made after the armistice, when we might well have said, "the war is over and the object for which we went to war has been attained." It is one of the indisputable and outstanding facts of the period immediately following the war that the United States made a second intervention in Europe, which was fully as vital and significant as its intervention during the period of hostilities. In 1919 the menace of starvation, political and economic disorganization hovered over the continent of Europe. Of course, it is idle to speculate on what might have happened had events taken a different course, but we may as well recall that

many sober minds at that day entertained the conviction that Europe faced a situation comparable only to that following the 30 years' war, when one-third of the population perished. As I have stated, we were not obliged to make this second intervention, but we did do it, and huge advances comprised in the \$10,000,000,000 total were then made.

Some of the stronger nations in Europe loaned much smaller sums after the armistice, and these relief and reconstruction loans were all coupled with written agreements that there should be no discrimination in the settlement or payment between the United States and the other countries making such advances. In the adjustment of post-armistice loans to Belgium, Czechoslovakia, Estonia, Finland, Hungary, Latvia, Lithuania, Poland, and Rumania, the United States has given more generous terms than any other creditor, and as to the pre-armistice debts, our terms have been certainly as liberal as those offered by any of the other countries.

Naturally, we have had to seek a basis of compromise, taking into account actual conditions faced by the debtors and at the same time doing reasonable justice to our own people. Cancellation was impossible. I sincerely believe that such action, even if circumstances had permitted it, would have been, in the long run, unwise, would not only have saddled this country with the main burden but would not have been in the real interest of the debtor nations themselves. No American Government could contemplate an outright gift of billions of dollars. There were, however, certain factors which gave elasticity to the negotiations and free play to our desire to show liberality and to impose no insuperable burden upon others. There was the factor of time and that of interest; and so within these limits the debt commission has laid down the test of capacity to pay. The payment of principal has been spread over 62 years and various rates of interest have been imposed, the details of which it is not necessary to state. I maintain that no fair-minded American citizen and no European who is prepared to take a statesmanlike view of this matter can expect us to go further. I shall not discuss the details of each settlement—they will be submitted to Congress, which alone can decide whether the settlements shall be accepted or not—but the World War Foreign Debt Commission has approached the settlement with each country in a spirit of fairness, taking into consideration its indebtedness, its burdens of taxation, its exports and imports, and its general economic condition. I believe it has been the desire of the debt commission to treat each country upon this basis and not to lay a burden greater than it could bear. This, I think, is a good economic policy, as well as a policy which commends itself in all dealings between nations.

FOREIGN LOANS

In March, 1922, after a consultation with various financial houses, the President directed the Department of State to publish a circular requesting in substance that those desiring to float foreign bond issues in the American market should notify the Department of State, giving such information as they could furnish in reference to loans. The Department of State would then give the matter consideration in order that, in the light of the information in its possession it might, if it so desired, say whether objection to the loan did or did not exist. It was stated, however, that the department could not require bankers to consult it; that it would not pass upon the merits of foreign loans as business propositions nor assume any responsibility in connection with the loan transaction; and that offers of foreign loans should not state or imply that they were conditioned upon the expression of the department's views regarding them, nor should any prospectus or contract refer to the attitude of the Government. The object of this was that the Government might state whether it believed certain loans were not in the public interest, such as loans for armament, loans to countries not making debt settlements with the United States, or loans for monopolistic purposes. The department has received notice of a great many loans to foreign governments, municipalities, and industries. It has objected to loans to countries which had not settled their debts to the United States, as it believed that it was not in the public interest to continue to make such loans, and it has objected to certain loans for armament and the monopolization of products consumed in the United States. The department has not assumed and could not assume to pass upon the validity of loans or the security. It has not the authority of law, and it will be impossible for any department of the Government to parcel out foreign loans, pass upon their merits, their security, or upon them as business propositions. Where objection is not made the department universally states that it does not pass upon the merits of foreign loans as business propositions nor assume any responsibility in connection with such transactions, and that no reference to the attitude of the Government should be made in any prospectus or otherwise.

There has been a great deal of correspondence and considerable press comment upon the loans made to German municipalities and States. While the department has not thought itself called upon to object to such loans as against the public interest, it has called the bankers' attention to the fact that indiscriminate loans to municipalities and states were not, it was believed, favored by the German Government and might raise serious questions of transfer of funds sufficient to pay

the principal or interest on such bonds. The department has further called the attention of the bankers to the fact that they should consider very carefully the question whether such loans were for productive purposes which would aid in procuring funds for transfer. It will probably be remembered that all the reparations paid into the Reichsbank must be transferred with the consent of the transfer committee, of which Mr. S. Parker Gilbert is the head, and the question naturally occurs whether the transfer committee could place obstacles in the way of States and cities procuring the necessary funds for transfer. I have no desire whatever to throw obstacles in the way of legitimate loans, but I do think American bankers should consider the question as to what extent State and municipal loans should be made.

ADMISSION OF ALIENS UNDER THE IMMIGRATION AND VISA LAWS

There is one question which of late has attracted public attention on which I desire to state the position of the State Department, and that is the admission of anarchists, revolutionists, agitators, and propagandists who advocate the overthrow of orderly government and those who are affiliated with societies for that purpose; in other words, undesirable aliens. The policy of this country, as plainly indicated by the acts of Congress, is to keep certain specified classes of aliens out of the country. Some people seem to think that the policy should be different; that the doors should be thrown open and the activities of undesirable aliens dealt with from the inside after they arrive. But that is not the policy of this country as emphatically declared by the Congress. All loose talk of an arbitrary and unjustified attitude of the Secretary of State or of the American consuls in this field is singularly futile. I am charged with the enforcement of this policy, and furthermore I believe in it. Let us see what the law declares:

On May 22, 1918, Congress passed an act entitled "An act to prevent in time of war departure from or entry into the United States contrary to the public safety." The material portion of this statute reads as follows:

"That when the United States is at war, if the President shall find that the public safety requires that restrictions and prohibitions in addition to those provided otherwise than by this act be imposed upon the departure of persons from and their entry into the United States, and shall make public proclamation thereof, it shall, until otherwise ordered by the President or Congress, be unlawful—

"(a) For any alien to depart from or enter or attempt to depart from or enter the United States except under such reasonable rules, regulations, and orders, and subject to such limitations and exceptions, as the President shall prescribe."

Pursuant to this statute, the President made Executive orders, one of which, dated August 8, 1918, reads as follows:

"Sec. 32. In accordance with the provisions of the presidential proclamation of August 8, 1918, a visa will be granted only when it shall appear that there is reasonable necessity for entering the United States and when upon investigation such entry is deemed to be not prejudicial to the interests of the United States."

At the close of the war, when restrictions were generally being repealed, specific attention was drawn to the case of aliens, and accordingly the following provision was embodied by Congress in the Diplomatic and Consular appropriation act of March 2, 1921:

"That the provisions of the act approved May 22, 1918, shall, in so far as they relate to requiring passports and visas from aliens seeking to come to the United States, continue in force and effect until otherwise provided by law."

The Executive order was from time to time amended and additional regulations covering visas were prescribed in general instructions of the Secretary of State issued under the authority of section 39. The last Executive order on the subject is dated January 12, 1925. It deals with the documents required of aliens entering the United States and with respect to nonimmigrant aliens, provides that they "must present passports or official documents in the nature of passports issued by the governments of the countries to which they owe allegiance, duly visaed by consular officers of the United States."

But the most important statute was the act of October 16, 1918, amended by the act of June 5, 1920, the material portion of which is as follows:

"That the following aliens shall be excluded from admission into the United States:

"(a) Aliens who are anarchists;

"(b) Aliens who advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group that advises, advocates, or teaches opposition to all organized government;

"(c) Aliens who believe in, advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group that believes in, advises, advocates, or teaches: (1) the overthrow by force or violence of the Government of the United States or of all forms of law; or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either by specific individuals or of officers generally) of the Government of the United States or of any other organized government because of his or their official character; or (3) the unlawful damage, injury, or destruction of property; or (4) sabotage;

"(d) Aliens who write, publish, or cause to be written or published, or who knowingly circulate, distribute, print, or display, or knowingly cause to be circulated, distributed, printed, published, or displayed, or who knowingly have in their possession for the purpose of circulation, distribution, publication, or display, any written or printed matter advising, advocating, or teaching opposition to all organized government, or advising, advocating, or teaching (1) the overthrow by force or violence of the Government of the United States or of all forms of law, or (2) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government, or (3) the unlawful damage, injury, or destruction of property, or (4) sabotage.

"(e) Aliens who are members of or affiliated with any organization, association, society, or group that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in subdivision (d).

"For the purpose of this section: (1) The giving, loaning, or promising of money or anything of value to be used for the advising, advocacy, or teaching of any doctrine above enumerated shall constitute the advising, advocacy, or teaching of such doctrine; and (2) the giving, loaning, or promising of money or anything of value to any organization, association, society, or group of the character above described shall constitute affiliation therewith; but nothing in this paragraph shall be taken as an exclusive definition of advising, advocacy, teaching, or affiliation."

This act makes it the duty of the Secretary of State to exclude all aliens falling within the defined classes quoted. Obviously, the question whether an alien does or does not come under one or more of the excludable classes is one involving the exercise of judgment or discretion. The State Department receives from the various diplomatic and consular agents of the United States all the information possible in relation to these undesirable aliens. One would think from some of the comments in the press that a foreigner had some inherent right to come to the United States which is being denied by the State Department. No foreigner has any such right whatever. Congress may admit or exclude anyone it sees fit. The law has specified what classes shall be excluded, and, until the law is changed, it will be enforced; and it will be enforced without regard to their station in life, for the law applies to prince and peasant alike. Nor am I going to enter into a public discussion of the facts of every case on which the exclusion is based. The law imposes the duty upon the Secretary of State and the American consuls to refuse visas if, in their opinion, the persons applying come within the prohibited classes. If, from the information in their possession, they have a reason to believe a given individual is inadmissible, the visa is refused. The Secretary has not acted in an arbitrary manner, and he has good reason for every refusal he makes. Nor is it in the public interest to disclose the facts upon which each decision is based, since the information is often of a most confidential kind and would not be obtained at all if it were not treated as confidential. Foreigners seeking entrance into this country are not entitled to such information. There is not one of the prohibited classes who would not be delighted to enter into a controversy over the subject and who would not deny activity or connection with organizations barred by the Government. There is no question of free speech involved. They can speak as freely as they please in their own country just as Americans can do here, but they are not entitled to come to this country to make it a platform for their revolutionary theories.

I believe in carrying out the letter and the spirit of the American Constitution guaranteeing free speech. I believe it is one of the priceless heritages of liberty which we should preserve, but I decline to recognize that this applies to aliens who desire to come over here to teach their pernicious doctrines of communism, revolution, sabotage, and destruction of orderly government. If they wish to carry on this propaganda, they had better stay in their own countries. I know it is said that this action is arbitrary and narrow-minded; that the best way is to let them come over and say what they please. I know of some of the leading countries of Europe which have pursued that policy and regret seriously the disorders which followed on account of it. We have a representative democracy and a Constitution guaranteeing the continuance of that Government and guaranteeing to every individual liberty of action, freedom of religious belief and worship, freedom of speech, freedom of the press, protection of property, protection to the home, equal opportunity in the avenues of enterprise—guaranties which were not easily obtained but which came from the struggles of our ancestors through centuries. The maintenance of this Government and of these guaranties of liberty depend upon the education, the moral standards, and the enlightenment of the people. Why make this country the haven of all the agitators and revolutionists to appeal to the youth of the land for the overthrow of that Government which is the greatest heritage any people ever had?

We have been so long in the enjoyment of these privileges of an enlightened Government that I sometimes fear we have forgotten at what cost they were obtained. I am glad to say that in this work of combating the communists and revolutionists the American Federation of Labor has taken a leading part, and if those well meaning but misguided individuals among us who are engaged in promoting the cause of anarchy, and Bolshevism under the guise of liberty and free speech would take the same manly stand as labor, there would be infinitely less danger over the dissemination of pernicious doctrines inimical to our institutions.

SETTLEMENT OF FOREIGN INDEBTEDNESS

Mr. SMOOT. Mr. President, there are on the calendar six bills authorizing settlement with six different countries of their indebtedness to the United States. I do not think they will require very much discussion, and I now ask unanimous consent that the Senate proceed to the consideration of the six bills—of course, one at a time.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. REED of Missouri. Mr. President, I certainly do not want to obstruct the Senator from Utah in any matter in which he has an interest, but these bills will provoke discussion, and I think very long discussion. The resolution I introduced this morning has to do with that very subject matter. I have been making some investigation and expect to speak at length on the bills. They involve a matter of gravest importance and billions of dollars. These billions of dollars will either come out of the pockets of the American taxpayer or they will come out of the pockets of the peoples of foreign countries who have contracted to pay us.

I can not give consent to take up these questions and pass these bills through hurry scurry and haphazard without debate and consideration. I am rather astonished that it would be expected that matters of this great importance should be passed through the Senate without the fullest discussion. I hope indeed they will go over until after the holidays, when we can get some facts to lay before the Senate. I have no objection to the bills being considered to the extent of the Senator from Utah speaking to them and explaining them to us. He can do that now, if he so desires, but so far as giving consent to their consideration with the idea of passing them, I can not do it.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I yield.

Mr. NORRIS. How many of these settlements are there?

Mr. SMOOT. There are six of them. I am quite sure there are four of them that will cause no discussion.

Mr. NORRIS. There may be some of them as to which, so far as I am concerned, I have no objection. I have no objection to making settlement with a country if it is made in accordance with the settlement made after full discussion with Great Britain, but there are some that are not made that way.

Mr. SMOOT. Yes; there are two of them—Italy and Belgium.

Mr. NORRIS. So far as those bills are concerned, I feel that there is going to be considerable debate. I have not myself looked into them and some other Senators with whom I have talked have not done so. I think there will be considerable discussion, and I do not believe it will be possible, in view of what is coming on that has been made a special order for to-morrow, to dispose of those two cases at least before the adjournment for the holidays.

It seems to me we might as well be frank. I want to say to the Senator from Utah that while I have no disposition to prolong unnecessarily or unreasonably the consideration of any of the settlements, yet I do feel very deeply, as I think other Senators do, in regard to some of these settlements, and I am very much opposed to them. When they do not comply with the settlement made with Great Britain, they ought to be debated, and the country as well as the Senate ought to be fully informed on them. I do not think the Senator ought to try to crowd them through now. I have no objection to having the Senator from Utah or anyone else discuss them. So far as I know, there will be no opposition to those which followed the discussion and settlement of the debt of Great Britain, but there will be a great deal of opposition to the others, and I do not believe we ought to try to take them up at this time. If the Senator from Utah or anybody else wants to debate them, I have no objection, but there ought to be an understanding that as to those settlements which did

not follow the settlement with Great Britain there will be no effort made to crowd them through at this time.

Mr. JOHNSON and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I will yield first to the Senator from California, and will later yield to the Senator from Tennessee.

Mr. JOHNSON. I want to suggest that there are others as well who agree with all that has been said by the Senator from Missouri and by the Senator from Nebraska. There is one of those settlements at least that requires, from the standpoint of some of us, discussion, information, and the like. If that information could be afforded to-day by the Senator from Utah and he desires to present the Italian debt settlement I would be very glad, too, indeed, for one, if he could proceed; but to proceed to a determination of that particular settlement at this time I would not consent, for I desire further information in respect to it, and I desire to know more than has been conferred upon us by the mere press reports.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield.

Mr. McKELLAR. I entirely concur in what has been so well said by the Senator from Missouri [Mr. REED], the Senator from Nebraska [Mr. NORRIS], and the Senator from California [Mr. JOHNSON]. I hope the Senator from Utah will not undertake to press this matter at this time; but I should be glad to have the Senator give us the facts upon which these various settlements have been made and the reasons actuating the commission in undertaking to make them in a particular way.

Mr. SMOOT. Mr. President, I wish the Senate to understand that I am in no particular hurry about the disposition of these measures, other than for this reason: The House of Representatives before the adjournment for the Christmas holidays will pass the revenue bill which is now pending in the House. I think every Senator desires that that bill shall become a law before March 15 next. The Finance Committee yesterday met and agreed to begin the consideration of the House revenue bill on January 4, the same day that the Senate reconvenes after the Christmas holidays.

Mr. SIMMONS. The Senator refers to the consideration of the revenue bill in the Committee on Finance of the Senate?

Mr. SMOOT. Yes; of course I refer to the consideration of the bill by the committee. After consideration of the bill shall have been begun every member of the committee will be tied up from early in the morning, perhaps, until late in the evening. We shall have little opportunity to spend much time upon the floor of the Senate. I thought that if we could have these debt settlement bills taken up and passed before taking a recess for the Christmas holidays, the House of Representatives could take them up immediately after the reconvening of Congress and that such action would materially hasten the enactment of the legislation.

However, Mr. President, I see that there is objection to taking that course, and I know at this particular time it would be perfectly useless to try to force these bills through before the holiday recess shall be taken. It is not yet 1 o'clock, and I could not now even make a motion to take the bills up. Therefore, out of deference to the opinions of Senators who have already made the statements which they have, I shall certainly not move the consideration of the bills to-day. So I withdraw my request for unanimous consent to proceed to the consideration of the bills.

Mr. SWANSON. Mr. President, before the Senator from Utah takes his seat will he permit me to make a suggestion?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Virginia?

Mr. SMOOT. Yes.

Mr. SWANSON. I may be mistaken, but I understand that the House of Representatives insists that the debt settlement bills affect the raising of revenue and, therefore, must originate in the House of Representatives. Though I do not concur in the contention of the House, it does seem to me that to have a long debate in the Senate and to pass the bills, and then for the House of Representatives to insist on what it claims is its constitutional prerogative and refuse to receive the Senate bills, requiring us to go over them a second time, would be a futile thing to do. The Senator will recall what occurred in connection with the bill proposing to increase postal rates. If it is insisted upon by the House of Representatives, which I understand it will be, that these bills affect the raising of revenue and, therefore, must originate in that body, it seems to me the wise course to pursue would be when

the House shall have passed the revenue bill first to take up this proposed legislation there.

Mr. SMOOT. Mr. President, the very question raised by the Senator from Virginia was discussed in the Committee on Finance on yesterday. Representative TILSON, either on Saturday or on Monday, though I think it was on Monday, came on the floor of the Senate and told me that there were some Members of the House of Representatives who insisted that if the Senate should consider the debt settlements bills first it would be contrary to the Constitution of the United States. I doubt whether there is a Senator who would take that position.

If the Senate should agree with the position I have stated, if that be the position of the House of Representatives—and I only speak of it from what I have heard Representative TILSON say—then the hands of the Senate of the United States would be tied, and this body could not pass a bill for the purchase of a piece of real estate anywhere unless such a measure had first passed the House of Representatives, because the money would have to come from the Treasury of the United States. The Constitution does not provide that bills "affecting the revenues" of the Government must originate in the House. I have conferred with 20 Senators at least and there has not been one of them who has not agreed with the position that the Senate of the United States could first act upon these bills.

Mr. SWANSON. Mr. President, if the Senator from Utah will permit me, further I desire to say that I agree with the Senator that there is no ground for the contention of the House of Representatives. I was simply discussing the matter from the standpoint of the best method of procedure.

I know when I was Chairman of the Committee on Naval Affairs I had added to the naval appropriation bill an amendment authorizing the sale of bonds. The bill itself originated in the House of Representatives, but that body refused to consider the amendment. They returned it to us immediately and it had to be eliminated, as I did not wish to have any contention and a delay of three or four days or more on that issue. The contention of the House then was that the selling of bonds was raising revenue, and they now insist that getting rid of debts is of the same character as selling bonds. I think that is a far-fetched contention, but we wish to have an orderly conduct of business and there is no use of getting into a contention with the other House as to which will consider the legislation first. The House of Representatives will have leisure to consider these measures after they shall have passed the revenue bill, and I see no object in having a row and wrangle precipitated and the matter consequently delayed. Let the House of Representatives first proceed with the measure and we can then consider them.

Mr. SMOOT. All I desire to say further regarding the constitutional provision is that the Constitution provides that bills for the raising of revenue shall originate in the House, and the legislation that authorized the creation of these debts originated in that body. The Constitution does not say that the House of Representatives must first consider legislation affecting revenue, but it refers to the raising of revenue.

Mr. NORRIS. I wish to ask the Senator if the bills providing for the settlements with Great Britain and the other countries did not first pass the Senate?

Mr. SMOOT. No; I think the House of Representatives acted upon those bills before we did.

Mr. NORRIS. I was under the impression that the Senate had first acted.

Mr. SMOOT. That may have been true as to one or two of the bills. I think, however, in all cases the House of Representatives first acted on the legislation. I will say to the Senator from Nebraska.

Mr. FLETCHER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. Yes.

Mr. FLETCHER. The Senator, evidently, has the data and the material on his desk justifying these settlements, and I think it would be desirable to let the Senator proceed to explain the settlements and lay before us the information. Such a course will probably save debate. If he is ready to do that to-day, it might aid, I think, in promoting the final disposition of the measures.

Mr. SMOOT. I wish to say to the Senator that I am prepared to proceed at any time; but if these bills are not to be considered this morning, there is the aviation bill which Senators are anxious to have considered to-day. I told the Senator from Connecticut [Mr. BINGHAM], who has that bill in charge, that all I was interested in now was in getting these measures passed so that they might go to the House.

Mr. ROBINSON of Arkansas. Mr. President, there has been some understanding that a question of the highest privilege would be presented to the Senate to-day. I had understood that a resolution affecting the right of a claimant to a seat in the Senate would be reported and acted on to-day. Of course, if that resolution is not to be reported, if for any reason the Senate does not desire to proceed to the consideration of that question of high privilege, I think it would be entirely proper for the Senator from Utah to make a statement respecting these debt settlement measures. The Senate would like the information, even though the bills themselves are not now under consideration. It is perfectly apparent to me—and I presume it is to the Senator from Utah—that the measures can not be immediately disposed of, and for that reason can not be formally taken up at this time.

I wish, however, to express my dissent from any suggestion that the Senate is precluded from considering such bills until the House has acted on them. The provision of the Constitution is familiar to all Senators. It is found in section 7, Article I, and reads:

All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills.

The question naturally arises whether this class of bills may be properly designated as bills for raising revenue. Unquestionably they can not be so classed, even though the result may be to collect debts due the United States and to increase the fund in the Treasury of the United States. The term "revenue bill" has a significance which it is not difficult to determine.

Mr. SMOOT. The money represented by these debts was collected in 1919 from the taxpayers of the country; that is when the revenue was raised.

Mr. ROBINSON of Arkansas. This must not become a precedent.

Mr. SMOOT. Absolutely not.

Mr. ROBINSON of Arkansas. The provision can not be construed so as to prevent the Senate when it desires to do so and at an opportune time from considering measures that are not properly bills for raising revenue.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield to the Senator from Idaho.

Mr. BORAH. I want to ask the Senator from Utah how many of these settlements correspond substantially with the settlement of the English debt?

Mr. SMOOT. Four of them. I may add, however, that two of them follow the settlement made with Poland, which for a first few years allowed a partial moratorium; but where a 5-year partial moratorium was allowed the amount of the deferred payments, so to speak, was all added and spread over the other 57 years.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Utah permit me to ask the Senator from Idaho a question?

Mr. SMOOT. Yes.

Mr. ROBINSON of Arkansas. What is meant by the expression "correspond substantially with the settlement of the English debt"? Does the Senator mean that the United States is proceeding to collect the same or approximately the same percentage of the total obligations as in the case of Great Britain?

Mr. SMOOT. The same rate of interest and the same payments on principal.

Mr. ROBINSON of Arkansas. That is quite a different thing in its net result, as I understand, and it works out quite differently in these cases from the manner in which it works out in the British case. My information is that, as a matter of fact, the total amount, computing the interest on a normal basis, the basis of interest that is charged on the Liberty loans, Great Britain pays 82 per cent, Belgium 55 per cent, and Italy 27 per cent. We should not only take into consideration the rate of interest but we should consider also the terms and time of payment; and when that is done we find, I think it is fair to state, that Great Britain pays approximately 82 per cent, Belgium 55 per cent, and Italy 27 per cent, or something near those figures.

Mr. SMOOT. I will say to the Senator that is figuring upon the cash value to-day.

Mr. ROBINSON of Arkansas. Upon the present value of the debts.

Mr. SMOOT. Yes; upon the present value of the debts.

Mr. ROBINSON of Arkansas. And I think that is the fair way to determine what the payments are.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield to me to answer his suggestion?

Mr. ROBINSON of Arkansas. I have not the floor.

Mr. SMOOT. I yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. There are four of these settlements; those with Rumania, with Latvia, with Czechoslovakia, and with Esthonia, that are substantially the same as the British, in that the present value of the amount to be received represents the same proportion of the debt as in the case of Great Britain; the interest rates are the same, and the period of payment is the same. The only difference is a trivial one in the adjustment of the payments during the first five years, but any shortage there is made up in one case by increasing the payments during the next five years, and in the others by increasing the payments during the next 57 years. In both cases, however, all deferred amounts bear the interest at the English rate; so that in those cases excluding Belgium and Italy, we have the British terms.

Mr. ROBINSON of Arkansas. I was speaking particularly of the important settlements, the settlements that deal with considerable sums. The cases to which the Senator is referring relate only to small amounts.

Mr. REED of Pennsylvania. Those were the cases to which the Senator from Idaho referred. I am only trying to answer his question about the amounts. They aggregate about \$170,000,000 of principal. Nobody disputes them. I do not see why the Senator does not ask unanimous consent to get rid of those four right now.

Mr. ROBINSON of Arkansas. I have no objection to that course being taken.

Mr. REED of Missouri. Mr. President, I do not know whether we are going to dispute them or not dispute them.

Mr. SMOOT. That is what I thought.

Mr. REED of Missouri. I want to examine these bills, and I am going to examine them. I am going to know what I am doing. I saw this country make a settlement with Great Britain which, if it is carried through for the 66 years, and we have to pay the same interest that we pay now, with compound interest upon our payments, makes a difference to us of \$2,200,000,000 at the end of 66 years.

Mr. REED of Pennsylvania. To answer that suggestion of the Senator, if he will permit me, we will probably pay in the next 62 years about an average of 3 per cent.

Mr. REED of Missouri. Very well.

Mr. REED of Pennsylvania. And if we do, we are going to get much more from these four countries than the amount that we will have to pay.

Mr. REED of Missouri. Let me answer the Senator. We put a proviso in the English settlement that at any time they can pay us in our bonds, so that if we refund our bonds at a lower rate of interest Great Britain gets the advantage of it, and if we do not refund them at a lower rate of interest we pay the difference.

Mr. REED of Pennsylvania. Why, if the Senator will think about that proposition for a moment he will realize that the amount we are paying on our bonds has nothing whatever to do with the amount of interest they owe us—of course not.

Mr. REED of Missouri. The Senator is mistaken.

Mr. REED of Pennsylvania. If they owe us $4\frac{1}{4}$ per cent or $3\frac{1}{2}$ per cent interest, they will have to pay it. It is only a question of the medium of payment.

Mr. REED of Missouri. Yes; and they can immediately take our bonds, if we issue them at a lower rate, and hand them over to us in lieu of their debt; so that if our interest goes down they get the advantage of it, and if our interest stays up we pay the difference. That is all there is to that.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. I yield.

Mr. HARRISON. As I understood the Senator from Utah, he concedes that there is a difference between the Belgian settlement and the Italian settlement, on the one hand, and the settlement with Great Britain on the other.

Mr. SMOOT. A great difference, I will say to the Senator. Mr. HARRISON. A great difference. It amounts to billions of dollars in the case of the Italian settlement?

Mr. SMOOT. No; not in the case of the Italian settlement.

Mr. HARRISON. We have some figures to show that. I want to ask the Senator a further question. He wrote the Republican platform last year.

Mr. SMOOT. No.

Mr. HARRISON. Is that a compliance with the Republican platform on foreign debts, which I will read:

In fulfillment of our pledge in the national platform of 1920 we have steadfastly refused to consider the cancellation of foreign debts. * * * Our position has been based on the conviction that a moral obligation such as was incurred should not be disregarded.

We stand for settlements with all debtor countries similar in character with our debt agreement with Great Britain. * * *

The justness of the basis employed has been formally recognized by other debtor nations. Thirty-five per cent of the total foreign debt is now in progress of liquidation.

Are the Italian and the Belgian settlements in compliance with that pledge?

Mr. SMOOT. Mr. President, if the Senator wants to go into the discussion of that matter—

Mr. HARRISON. That is easy to answer.

Mr. SMOOT. I will say that they are not the same as the British settlement in terms; but Great Britain is capable of paying the rate that she is paying now even more than Italy is the rates that we have agreed she should pay.

Mr. HARRISON. The Senator can say at least that it is as much of a compliance with that pledge as in the case of the other promises of the Republican Party in this platform?

Mr. SMOOT. Of course, every promise we make in that platform is going to be fulfilled. I have not any doubt about that.

Mr. REED of Missouri. When?

Mr. SMOOT. I do not think there will be much trouble about the settlements when fully discussed on a basis of ability to pay.

Mr. REED of Missouri. If the Senator will pardon me, what does he mean by "ability to pay"?

Mr. SMOOT. I mean this, Mr. President: It is very doubtful to me whether Italy can pay even what she has agreed to pay under the terms of the settlement. Taking into consideration her resources, her exportations, her importations, her income from every source, and her standing expenses for maintaining her Government, cut to the bone as they are, it is very doubtful whether she can pay even the amount that she has promised to pay the United States, especially when we take into consideration the fact that she owes Great Britain more than she owes the United States and expects to make the same terms with Great Britain that she has made with the United States.

Mr. REED of Missouri. Mr. President, if the Senator will pardon me, this doctrine of "ability to pay" is a new doctrine.

Mr. SMOOT. It is not a new doctrine in business, Mr. President.

Mr. REED of Missouri. Yes; it is a new doctrine in business as the Senator applies it. When a creditor wants to take the benefit of the bankrupt act and be discharged under it—which is only a matter of grace under the law—he turns over all of his assets. He does not say that his ability to pay is according to his net income. We are settling with these countries upon the basis of the Government being able to pay out of its revenues that it now collects—

Mr. SMOOT. Oh, no, Mr. President.

Mr. REED of Missouri. And not going into the capital account of its people.

We, however, are canceling a debt which rests upon this country because our people went into their capital account and took their money and put that money into these obligations which we loaned to Italy, and Italy should at that time have given us her bonds similar in terms as to ultimate payment and as to interest and as to every other term to the bonds which we issued to the American people.

Mr. MOSES. Mr. President, may I ask the Senator a question at that point?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. REED of Missouri. I hope the Senator will let me complete the sentence. Now, Italy did not do that.

Mr. SMOOT. And Italy could not do it.

Mr. REED of Missouri. Italy at least can carry out her obligations and issue her paper to us. It is now proposed to say that the Italian Government, not having sufficient revenues at the present time to pay, shall be substantially released from the payment of this debt. I have not had time to examine this document, but if I have been correctly informed we are in substance and effect canceling the greater part of the Italian debt.

Mr. MOSES. Mr. President, may I now ask the Senator a question?

Mr. SMOOT. Before the conclusion of the debt payments she will pay us about \$2,407,000,000.

Mr. REED of Missouri. In what?

Mr. SMOOT. In money.

Mr. REED of Missouri. In interest?

Mr. SMOOT. In interest and principal.

Mr. REED of Missouri. I shall have some figures on the proposed settlement, and I think I shall be able to demonstrate that it amounts to a repudiation of the greater part of the Italian debt.

Mr. SMOOT. I will say to the Senator that taking the present value of the debt I agree with what he says, if figured on a basis of $4\frac{1}{4}$ per cent interest for the full 62 years, and that is the way the present value is arrived at. However, I have here the figures on what 3 per cent amounts to, and I will say to the Senator that for 50 years before the war the average rate of interest that was paid by Great Britain was 2.9 per cent; and I can not conceive of the world being in such a condition that for the next 62 or 57 years the rate of interest that will be paid by any first-class country will be $4\frac{1}{4}$ per cent.

Mr. REED of Missouri. What does the Italian Government pay under this agreement?

Mr. SMOOT. In total?

Mr. REED of Missouri. No; annually. What stipend does it pay—1.8 per cent, is it?

Mr. SMOOT. No; it begins at one-eighth of 1 per cent, after five years on which at first there is no interest, though it is made up later. Then it proceeds until it reaches 2 per cent. That is the settlement, Mr. President.

Mr. REED of Missouri. I undertake to say that we had better have paid to us in cash to-day a few hundred thousand dollars and employ the cash to take up our $4\frac{1}{4}$ per cent bonds. I have not figured it out, but I think it can be figured out.

Mr. SMOOT. Oh, no, Mr. President.

Mr. MOSES and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I yield to either Senator.

Mr. McKELLAR. I want to ask the Senator this question: He speaks of the ability of Italy to pay. I saw in the papers a few days ago that perhaps within 10 days after this settlement with the American Debt Commission the Government of Italy floated in this country \$100,000,000 of bonds at par. If that can be done, it seems to me that Italy is not bankrupt, to say the least; or were the bonds conditioned upon this settlement?

Mr. SMOOT. Mr. President, if the various foreign countries are ever going to get back to a normal condition, the only way they will ever do so and make their currency a stable currency is to get some gold back of it; and those loans are made for that purpose—the stabilizing of their currency.

Mr. REED of Missouri. The loans are made for that purpose, and run for how many years—66 years?

Mr. SMOOT. I am speaking in answer to the Senator from Tennessee of the loans that were made from New York.

Mr. REED of Missouri. Of course, if we permit them in substance and effect to repudiate their debt to us, I grant you that that will make their credit very good with the bankers of New York who are loaning them money at 6 and 7 and 8 per cent.

Mr. SMOOT. If they repudiated their obligations to the United States, they could not borrow a dollar from the bankers of New York.

Mr. REED of Missouri. No; but if we graciously whitewash the repudiation for the benefit of the New York financiers—I do not speak of them disrespectfully; the international financiers—if we will just release our loans, or reduce them to nothing, of course then they can borrow money from these gentlemen; but what is the matter with looking after Uncle Sam a little bit in this transaction?

Mr. SMOOT. I think that is exactly what the commission have been doing—looking after Uncle Sam. The Senator from Missouri says that this settlement is based upon their income at the present time. That is not the case. When we take into consideration the situation that exists in Italy to-day, with no coal, no iron, no phosphate, nothing but man power—

Mr. REED of Missouri. How much of a standing army have they?

Mr. SMOOT. It has been reduced to a little above what it was before the war.

Mr. REED of Missouri. That is indefinite. What was it before the war?

Mr. SMOOT. I have not those figures before me now. I did not bring them here. I did not suppose the question of standing armies would come up, but I will give the number

to the Senator if he desires. I shall be glad to furnish it to him.

Mr. REED of Missouri. I will have the figures before this debate is over.

Mr. SMOOT. When we take into consideration the resources of Italy, I want to say to the Senate of the United States that the settlement which has been made is the only settlement that they would possibly undertake to carry out. I hope they will be able to do so, but I have my doubts.

Mr. NORRIS. Mr. President, if this settlement is being made on the basis that Italy can not pay one hundred cents on the dollar of what she owes, may I ask the Senator why it is that that concession and reduction of debt is only made to apply to what she owes us and does not apply to everybody else? If Italy wants to get the benefit of the same procedure that a bankrupt does, then she ought to put on the table all her assets and her indebtedness, and everybody else to whom she owes money ought to be required under a bankruptcy settlement to accept the same settlement that we must take.

Mr. SMOOT. An individual can go into bankruptcy; a country can not very well do so.

Mr. NORRIS. I do not like to have a country go into bankruptcy as to us and not as to anybody else.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to answer that?

Mr. SMOOT. In relation to that, I will say that France's largest creditor, England, will never get a better settlement with Italy than we have made with her. In fact, it would be perfectly useless to try to get better terms. There is not enough produced from the soil of Italy and from all their resources, their man power, and everything else to pay the obligation to England and to the United States upon the same basis on which England settled with us. It is an absolute impossibility, and that can be demonstrated.

Mr. REED of Pennsylvania. Mr. President, will the Senator permit me to add a word there?

Mr. SMOOT. Certainly.

Mr. REED of Pennsylvania. The Senator from Nebraska asks why they do not treat their other creditors as harshly as they treat us. They have two other creditors; first, the vast mass of owners of Italian internal bonds, a floating debt, and they have repudiated, if you please, or canceled, 80 per cent of that by the depreciation of their currency to the stabilized value of about 4 cents for a lira that was loaned to them in gold value at 19.28. There, in that fact alone, with the stabilization of the lira at about 4.5, they have canceled about 80 per cent on all of their internal debt, and on any calculation that is reasonably made as to the present value of the settlement they are paying us over 40 per cent in principal and interest that is due to us.

Mr. NORRIS. This reduction has come about by a juggling of their financial system.

Mr. SMOOT. It is no juggling; it is a reality.

Mr. NORRIS. Are they going to pay Morgan & Co. this big loan upon the same basis on which they are going to pay us? Are they expected to pay them a hundred cents on the dollar?

Mr. REED of Pennsylvania. Of course, they promise to pay in full for the new money they are getting now.

Mr. NORRIS. Yes; but they promised to pay in full for the money they got of us, and if they do not pay it because they can not pay it, because it is impossible, then why not apply the same rule to every one of their creditors?

Mr. SMOOT. Let Mr. Morgan look out for that.

Mr. NORRIS. Yes; but Mr. Morgan is looked out for already to get 100 cents on the dollar, and Uncle Sam is looked out for to get 40 cents on the dollar.

Mr. HARRISON. How much interest did they pay Morgan & Co.?

Mr. SMOOT. Seven per cent.

Mr. REED of Missouri. What was the brokerage charge?

Mr. REED of Pennsylvania. It was a pretty liberal discount. I imagine they paid about 9 per cent to get the money, simply because their credit is so low they could not get it at any better rate.

Mr. REED of Missouri. Exactly, and we find the representative of the house of Morgan & Co. getting up and denouncing the Senators as being "last centers"; yet Morgan & Co. are taking 7 per cent interest and 9 per cent discount, and they are lending money to Italy.

Mr. REED of Pennsylvania. There is just this difference—I did not know the Senator was so thin-skinned that he cared about what Morgan thought about it—

Mr. REED of Missouri. I do not, except that that bank and its satellites have been carrying on a tremendous propaganda

here to influence our foreign relations. That is the only objection I have to it.

Mr. REED of Pennsylvania. There is this difference: We have our money in, and he had his money in his pocket. If it were a question of our lending to Italy to-day for Uncle Sam, we ought to ask 9 or 10 per cent, and I think we ought to hesitate a long time before lending at that rate. But our money is in, and his is not. That is the difference.

Mr. REED of Missouri. Our money, being in, is to be sacrificed, and Italy's credit is to be restored for the benefit of a lot of gentlemen who are charging these extortionate rates of interest.

Mr. JOHNSON. Let me add that contemporaneously—

Mr. SMOOT. Just a moment.

Mr. JOHNSON. Just one sentence, if the Senator will permit me. Contemporaneously with the settlement of our debt a loan is made by Morgan & Co. at 7 per cent interest, and the interest that is given to the people of the United States upon their debt is one twenty-eighth what Italy pays to the house of Morgan.

Mr. HARRISON. In that connection, will the Senator state—

Mr. SMOOT. Mr. President, if I were a banker and were dealing with a bankrupt country—and that is what Italy will be unless she has help—I would make the best terms I could with her in the hope of getting something out of the wreck.

Mr. REED of Missouri. Since the Senator referred to the fact that he was a banker—

Mr. SMOOT. I did not. I said if I were a banker.

Mr. REED of Missouri. That is what I meant. If I were an American banker, I would tell the representatives of any foreign country that came to me to borrow money that it first must deal honestly with my country before it got any more money from me.

Mr. SMOOT. Mr. President, when this matter shall come before us for action, so that we can talk long enough to explain the reason why this action was taken upon it, and when the country understands the situation in Italy and why the settlement was made on terms to which some are objecting, I think there will be a different feeling than manifested here to-day.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. SMOOT. Certainly.

Mr. HARRISON. The Senator has before him all kinds of figures about this subject matter, I know. Will he tell the amount of interest Italy is to pay, according to the agreement made with Italy, or the amount the Italian taxpayer is to pay?

Mr. SMOOT. Yes; I can tell the Senator exactly.

Mr. HARRISON. The figures I have are \$365,677,000. They were made by the actuary, so I presume they are the same as those the Senator has.

Mr. SMOOT. The Senator has taken the amount due on June 15, 1925, and the amount of interest to be paid then was just what would be paid during each of the 62 years.

Mr. HARRISON. The point I want to get at is that the interest the Italian taxpayer pays is approximately \$365,000,000 under the terms of the agreement.

Mr. SMOOT. Oh, no, Mr. President.

Mr. HARRISON. Then the actuary is all wrong, and the Senator from Utah is absolutely right.

Mr. REED of Pennsylvania. There is \$390,000,000 of interest from Italy to us already accrued which they agreed to pay, so that figure must be wrong.

Mr. HARRISON. Interest to November 15?

Mr. SMOOT. To June 15, 1925, \$355,000,000.

Mr. HARRISON. Has the Senator figures showing how much that same money will cost the American taxpayer during the operation of this agreement, at the 4½ per cent rate?

Mr. SMOOT. I know what the Senator is driving at—

Mr. HARRISON. If the Senator has not the information, I have. It is \$3,680,000,000, the American taxpayer paying just \$3,000,000,000 more than the Italian taxpayer pays.

Mr. SMOOT. Mr. President, the amount the Italian taxpayer pays is \$2,407,677,500.

Mr. HARRISON. The Senator is including principal and all. I am talking about the interest that he pays under the terms of this agreement.

Mr. SMOOT. If the Senator wants to know the exact amount, I can tell him.

Mr. HARRISON. The Senator gave it to me—\$355,000,000.

Mr. SMOOT. That is not what they are going to pay. They pay the difference between \$2,042,000,000 and \$1,648,000,000 in addition to the \$355,000,000. We have added that amount on interest to the principal debt, as I have already stated.

Mr. HARRISON. The Senator gave me the figures \$355,000,000 a moment ago, from some date in 1925—June, I think—

Mr. SMOOT. June 15, 1925.

Mr. HARRISON. As the amount of interest the Italian taxpayer pays, according to the terms of the agreement. I asked the question to show that the American taxpayer at the same time would pay \$3,680,000,000.

Mr. SMOOT. That is not what the Senator stated. The Senator stated that the \$355,000,000 was all the interest they would pay; but that is not so.

Mr. REED of Missouri. Mr. President, the Senator talks about the accrued interest. We borrowed from the American people every dollar of what is termed the principal of the Italian loan, did we not? And we paid out of taxes levied on the American people the interest at 4½ per cent. We are out that interest and that principal, just as much out the interest as we are out the principal, for we have paid the interest. What is the use of distinguishing between the money we loaned Italy and the interest which we have paid on the money we borrowed to loan them? We are out that much money.

Mr. SMOOT. If we had not paid it, or it had not been in the account, the Senator from Mississippi was correct.

Mr. REED of Missouri. It was in the account.

Mr. SMOOT. I was answering the statement of the Senator from Mississippi.

Mr. REED of Missouri. It was in the account. When they got this money from us, instead of Mr. McAdoo saying, "Hand me a bond conditioned as the bond that we have given is conditioned," he took from them an obligation in lieu of that that they would give bonds, and in the meantime they would pay 5 per cent. Nobody, I think, will say that we want to collect a penny more from them in interest than we had to pay. The moral obligation running through that contract was that they would make good to us dollar for dollar the money we loaned them and the interest we had to pay on it. So, when they talk about cutting off the interest, let us remember that interest has already been paid by the taxpayers of America, and we are out that money just the same as we are out the money on the bonds. Italy owes us a certain amount of money, which we have paid out for her benefit. Part of it is interest and part of it is principal, and that is her debt to us to-day. She has no more right to repudiate the interest than she has to repudiate the principal.

Mr. HOWELL. Mr. President—

Mr. SMOOT. Let me answer this, and then I will yield to the Senator.

I want to assure the Senate and the American people that it has been my policy to make the very best settlements possible to be made, taking into consideration the ability of the countries to pay the obligations they undertook to assume. I am positive, as positive as I live, that if we had not made this settlement with Italy we would not have gotten any settlement. I do not know what is going to happen. When France's representatives first came over here they bluntly told us that they did not owe us anything. I think the Italian people have been led to believe that there was not to be anything paid on this debt, that it was a political debt. I have heard no Italian representative state that, but I know that the people have not expected to pay.

What happened when the Parmentier commission came over here and made a gesture of a settlement? At that time the franc was at about 12½ cents. I made the statement then in conference that unless a settlement were made there could be but one result—their financial affairs would be unbalanced and unsafe, and that the franc would decline; that the French franc can not help declining until there is some kind of a settlement of her obligations with England and the United States, and, in addition to that, a loan whereby she can say that back of the currency she issues and the franc that is authorized by her Parliament stands the gold to make her franc secure.

There has to be a settlement before long. They have to get some money somewhere or the franc will go down, just as the German mark went down; and such a thing would be a distinct loss to America, let me say, to see France go to the dogs financially. That would not help the United States and would not help the world, but the contrary, and the quicker we can get the balance of the world on a stable basis, their currency stabilized so that every man knows that just what he receives is worth every cent it is represented to be, the better off we will all be. To-day that is not the case. I hope the time will come when that may be done, but it will never be done by demanding that they pay the same rate that England pays, because, I say to the Senator from Missouri, it can not be produced from the ground; it can not be made from labor; and the foreign government has got to live and can not pos-

sibly make a surplus to pay the interest that would be imposed upon them by any such a settlement as he demands.

Mr. SIMMONS. Mr. President, I want simply to make an inquiry of the Chair. Has unanimous consent been given for the consideration of the bills presented by the Senator from Utah?

Mr. REED of Missouri. It has not.

The VICE PRESIDENT. Unanimous consent has not been granted.

Mr. SMOOT. I withdrew the request.

Mr. SIMMONS. What is before the Senate?

The VICE PRESIDENT. There is nothing before the Senate in the regular order.

Mr. SIMMONS. Does the Senator from Utah abandon his motion to take up the bills?

Mr. SMOOT. I abandoned my request to take them up by unanimous consent, because of the fact there was an objection, and I could not do otherwise.

Mr. SIMMONS. I was going to suggest to the Senator that he make a motion, if he wants to discuss the bills now, and not take up the time of the Senate with matters not before the Senate.

The VICE PRESIDENT. The calendar under Rule VIII is in order.

Mr. REED of Missouri. May we have the first bill on the calendar reported, and I then desire to address the Senate.

Mr. HOWELL. Mr. President, I would like to make a statement in reference to this Italian debt. The total amount carried upon the books of the Treasury as of June 15, 1925, was \$2,150,000,000.

Mr. SMOOT. No; \$2,042,000,000.

Mr. HOWELL. I beg your pardon; the Foreign Debt Commission agreed to a discount at once of \$108,000,000 from the amount carried upon the books of the Treasury. The total carried on the books of the Treasury as presented to the Italian Government was \$2,150,000,000.

Mr. SMOOT. It was not that. It was to be that amount, provided we charged the full 4½ per cent from 1922 up to June 15, 1925.

Mr. REED of Missouri. Why should we not charge it?

Mr. SMOOT. And that was because of the fact that England had not paid more than 3 per cent.

Mr. REED of Missouri. That is a fine reason!

Mr. SMOOT. Three per cent brought it to \$2,042,000,000, but, if the 4½ per cent were charged, the Senator's statement is correct.

Mr. HOWELL. I obtained this information from the Treasury Department. The total payments, interest, principal, and everything, that Italy is to make is 1.8 per cent upon that amount, \$2,150,000,000, for 62 years and then the debt is automatically canceled. We do not get a dollar of the principal. We get 1.8 per cent of the principal for 62 years and then the debt is canceled. During that period we pay the difference between 4½ per cent, the interest rate on our taxable Liberty bonds, and 1.8 per cent, or 2.45 per cent. These interest payments will exceed \$3,000,000,000 during that period, and with the cancellation of the debt it means that at the end of 62 years the Italian debt will have cost the people of the United States over \$5,000,000,000. That is the settlement that has been made. We do not get a dollar of principal. We get 1.8 per cent interest merely for 62 years and then Italy is through. All that is necessary to do for proof is to divide the total payments to be made, \$2,407,677,500, by 62 and then determine what rate of interest each of those sixty-second parts is upon \$2,150,000,000.

Now if the representatives of the Italian Government came over here and stated "That is all we will pay," the people of the United States ought to know that fact. The last or sixty-second payment to be made is something over \$90,000,000. Does the debt commission mean it to be inferred that at the end of 62 years the Italian Government will have exhausted itself? Could it not pay another \$90,000,000 in the sixty-third year?

Mr. SMOOT. They have only paid \$5,000,000.

Mr. HOWELL. I say that in the sixty-second year the payment is to be in the neighborhood of about \$90,000,000. Are we to understand that the Italian Government said in substance "We will pay for 62 years and then we will stop and we will not pay you another dollar?" "We will repudiate." Why could they not pay an equal amount in the sixty-third year and in the sixty-fourth year?

I am willing to go as far as anyone in the settlement of the debts of these countries, but I think we ought to treat them as any banker would treat his customer. He would say "Yes, I will help you. I will not press interest demands, but

if you ever can pay you ought to pay. In the meantime pay what you can." That is my position respecting the matter. If the representatives of the Italian Government came over here and announced that the sixty-second year's was the last payment they would make under any circumstances, tell the people of the United States the facts. Do not try to mislead them into believing that they are going to collect this debt, under the terms of the settlement made, because they will not. At the end of 62 years we will still owe at least \$2,150,000,000 of our war debt, and up to that time we will have paid $4\frac{1}{4}$ per cent interest unless we issue renewal bonds free of taxation. Therefore, after deducting all the Italians agree to pay us we will pay in addition over \$3,250,000,000 during that 62 years, in interest alone, and then cancel the debt, meaning that this debt will have cost the American people about \$5,400,000,000. I do not believe that is the kind of settlement the people will approve.

Mr. CURTIS. I ask that the unfinished business be laid before the Senate so there will be something pending before the Senate.

The VICE PRESIDENT. The Chair lays the unfinished business, Senate bill 41, before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

Mr. REED of Missouri. Mr. President, I had intended, and intend yet, to invite the attention of the Senate to an analysis of some of the debt settlements in order that the Senate may have information before it upon which to act. resolution this morning, which went over until to-morrow morning.

May I have the attention of the senior Senator from Kansas?

Mr. CURTIS. Certainly.

Mr. REED of Missouri. I was stating that in order to get the information upon which the Senate could act with reference to these particular debt-settlement bills I introduced a resolution this morning asking for an investigation of certain facts which bear upon the debt settlement and bear upon the propaganda behind them. The Senator from Kansas asked that the resolution go over until to-morrow morning, stating that he had had a consultation with the Senator from Idaho [Mr. BORAH].

Mr. CURTIS. I stated that I had not had a conversation with the Senator from Idaho.

Mr. REED of Missouri. Yes; that is correct. Subsequently the Senator from Kansas made the statement, but he made it to me privately. I want to know now if the Senator from Kansas will not consent that we may take up that resolution for consideration?

Mr. CURTIS. I could not consent at this time.

Mr. REED of Missouri. Very well.

Mr. President, what I am about to say touching this settlement will, in view of the fact that the information has not yet been obtained, be only of a general character; but I want to call attention to a few facts which I think the Senate ought to consider and as to which I think the country ought to be advised. If I begin back a little ways, it is for the sake of making, if possible, a logical statement.

When we were in the war the European countries came here and asked for aid. We passed three bills authorizing the borrowing of money wheresoever it could be borrowed; but, of course, it would come chiefly from the American people. We provided in those three acts that loans could be made to various foreign countries for the purpose of enabling them to carry on the war. Each of the acts contained a clause that the money should be paid to them upon their delivery to us of their obligations conditioned as to payment and as to interest and as to all other conditions as our bonds were conditioned, the idea being that while we would borrow this money from the American people the American people would never be taxed a single dollar for either interest or principal, because the foreign country borrowing the money would be obligated to pay us the same amount of interest that we were paying for the money we had borrowed to loan them, and in the end would pay the principal at the same time our bonds matured, and thus we were simply loaning to those countries our credit, and it was not, in fact, costing our people any money.

That agreement the then Secretary of the Treasury violated. I do not say this in harsh criticism, because we were engaged in war. Instead of receiving their bonds he took from them an obligation in writing conditioned that they would give the bonds thereafter and that in the meantime they would pay 5 per cent interest. So we borrowed this money from our people and told them they must pay until they were bled white; and they all paid this money to our Government upon an implied

contract between them and the Government that they never would be taxed to pay either the interest or the principal or any part of it.

That is the starting point. The war was fought out. I do not say America won the war, but I do say that if America had not entered the war it would not have been won by the parties who did win it. Then came forward a propaganda by international bankers—and I have no enmity against bankers, but it came forward from the international bankers—that America should cancel the indebtedness of foreign countries to America. It came from the house of Morgan. It came from all of these gentlemen who had themselves been making loans. The Morgan house had negotiated some billions of dollars of European securities. Of course that house knew and all other international bankers and financiers knew that if the United States would cancel the indebtedness due to the United States Government their private loans would immediately be much nearer the point of payment. It was this cry from these bankers and financiers who were engaged in international speculation, who had loaned their money at immense discounts and at high rates of interest, which, in my opinion, first planted in the brains of European statesmen the thought that all they had to do was to stand out, and finally they could force the United States to cancel the indebtedness they had solemnly obligated themselves to pay.

Mr. President, we are confronted by the situation to-day that a new doctrine has been set up; the doctrine of "ability to pay." What is the ability of a nation to pay? Who can look into the future and say that the present ability of a nation to pay is its final ability to pay? The fact is that certain nations stand before us to-day, in substance and effect, repudiating their debts.

I want to call the attention of the Senate and the country to one fact which they may contrast with this attitude. Russia had been under a diabolic form of government for centuries. Her people had been oppressed to a point that is indescribable. Their laws were represented by a Cossack on horseback, with a rifle thrown across his saddle bow, and a knout lashed to his wrists to lay across the naked backs of an oppressed people. About ten men out of a hundred had been permitted to learn how to read and write. At last that ignorant and oppressed population arose and overthrew its rulers, overthrew that old government entirely. Then they said, "We will not pay the debts of the old government that incurred those debts in oppressing us." Because Russia said that, the world refused to do business with her; nations refused to receive her representatives; and this country led in that movement. Russians came here with gold wanting to buy American goods, and they were told that the gold would not be coined at our Treasury. The great reason offered by our Secretary of State for ever refusing to recognize Russia was the fact that Russia had repudiated her debts. That was the same reason that was offered by Great Britain for a long time and also offered by other European countries for refusing recognition to Russia. I am not here at this present moment to criticize our Secretary of State for taking that attitude; it may have been a wise attitude; I do not care to commit myself upon it at the present time.

What is the spectacle presented in these countries coming here and saying, "We will not pay our indebtedness in full; we will not even sign our promissory notes agreeing to pay you at some time in the future; we will not issue new notes in lieu of the old notes which you now hold in the form of the agreement"—of which I have spoken—"and we will pay you or not pay you as we please; but, if we pay you at all, we will pay you but a small part of our debt." That is how it figures out; we need not deceive ourselves at all. Until the \$10,000,000,000 we borrowed and loaned to Europe has been wiped out we must pay the interest at $4\frac{1}{4}$ per cent up to date—whether it ever can be reduced or not is a question for the future—and we must finally pay the principal. We can not repudiate, though they propose to repudiate by saying, "We will only pay a small part of the indebtedness," on the ground that presently, at this time, they are so situated that they say their governments can not raise more money. Then we are told that we must accede to that, because if we do not their currency will fall in value and their governments will get into trouble.

Mr. President, so far as I am concerned, I am opposed to America undertaking to act as guardian ad litem for all the other nations of the world. I am opposed to America undertaking now, notwithstanding the fact that we expended first and last probably \$50,000,000,000 in the World War, in which we had only a small concern compared with other countries, to stand back of the finances of other countries and restore

their lire and their francs to full value. We owe no such obligation to them and we ought not to undertake it.

Mr. SMOOT. And we are not undertaking to do so.

Mr. REED of Missouri. But it was the point of the Senator's argument that if we did not do this their money would still continue to tumble. I say let it tumble until they learn that a nation can not repudiate its honest debts and still have credit in the world. Let it fall. That is their business and not ours.

But let us see where we come out in this business. They say they must now borrow more money, and they borrow that money and expect to pay it. They are paying 9 or 10, and I think, if the truth were found out, in some instances 15 per cent discount on the original loan, and then they are paying 6 or 7 per cent interest, and I am informed that as to one of the last loans of a hundred million dollars made by Morgan & Co. to one foreign country Morgan & Co. not only took out their discount in advance but then stipulated that \$50,000,000 of the money should be paid to Morgan & Co. upon an old loan. I may be incorrect in that statement, but I do not think I am; that is my information; and that is the reason, or one of the reasons, I want this resolution passed, in order that we may find out the facts.

Let us follow this matter a little further. The United States borrowed some other money from the American people and loaned it to the farmers of this country, and the farmers found themselves in a very bad situation because of other conditions growing out of the war. They found their markets largely destroyed; they found themselves in a pinch; they found they were unable to pay the mortgages upon their farms; they found their homesteads being sold. It was a lamentable condition and one that the Senate has spent many hours considering.

Why not give to our farmers the same consideration we are going to give to foreign countries? Why not borrow more money and then proceed to loan it to our farmers, and to stipulate in the loan "You shall pay this if you are able to pay," and then construe the clause "if you are able to pay" as meaning if you are able to pay out of your net income? We do not do that way with our farmers. If one of them has borrowed from one of the farm-loan banks and he can not pay the debt, his mortgage is foreclosed; we take his farm, we take his goods, his wares, and his chattels, because that is business; we take his capital; but when it comes to the money which we loaned to Italy it is proposed to say that they shall pay according to the income of their Government. Well, their Government would have more income if it laid more taxes in Italy. Oh, they can not do that, it is said, because the people will rebel or do something else. There is not one of them over there that is not living on a higher plane than before the war and spending more money.

Let us take France; that nation affords a good example. What is France doing to-day when she says she can not pay us what she owes us and what she agreed to pay us? She is down in Africa trying to conquer a free people. Spain and France are united in destroying the liberties, in stealing—"stealing," I use the term in all its nastiness—the land, stealing the liberties of a people that were free people when the inhabitants of France were wearing the skins of wild beasts. Down there stealing land and expending millions and millions of dollars, and then saying that she is so poor, because she is spending her money to steal these lands and to oppress these people, that she can not pay us.

Mr. President, I send to the desk and ask to have read as part of my remarks a very illuminating article by a distinguished lawyer of Chicago, Mr. Levinson. I think the article will throw some light on this situation.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Without objection, the Secretary will read as requested.

The Chief Clerk read as follows:

CAPACITY TO PAY

Phrase making has an irresistible attractiveness both to the maker and the hearer. International conferences have worked this side of the street to the limit; indeed, it is not too much to say that international phrases, coined from time to time, have indefinitely prolonged the infamous visit of the war system to this planet. Now, this highly prized process has been carried over to the economic field. Recently a new financial philosophy has been invented and put to emergency use, entitled, "Capacity to Pay." Of course, this means a debtor's capacity to pay his creditor. At present this invention is in the sole monopolistic use of governments. But the contagion may spread. Debtors generally may be eager to expose themselves to the negative germ of "incapacity to pay."

It should be admitted at the outset that there are some conditions under which the expression "capacity to pay" seems to be relevant and really has some sense. If I go to the bank to-morrow and ask for a loan of \$50,000, my "capacity to pay" would seem to be a very important thing for the banker to inquire into before he lets go of the money. And again, if I owe a lot of money and don't pay it, go into bankruptcy, turn over all my assets, and my entire estate is thoroughly investigated, then my "capacity to pay" can be ascertained by establishing a ratio between all my assets and all my liabilities. This, however, is rather the capacity of my assets to pay than my own capacity to pay, for it takes no account of my future capacity to pay.

But in the international field it is not so. There is no such inquiry as "capacity to pay" when the money is borrowed. The United States would not have insulted France or Belgium or Italy by inquiring of their respective capacities to pay when the money was loaned, or when the goods were sold.

This would be too much like sordid business relations and the "100 per centers" would have screeched like so many eagles. No; the new philosophy of "capacity to pay" looms on the horizon on the very day when the debt comes due. And, mark you, this capacity to pay is not determined as it is in common business affairs by a balance sheet of assets and liabilities. Not at all. Some theoretical experts on each side figure out by the charted curves of the franc or the lire, or by the processes of inflation and deflation that have marked the past half century, or by a lot of bewildering statistics neatly prepared, what the new-fangled governmental "capacity to pay" of a reluctant debtor is. It never occurs to the debtor government to turn over to the United States any of its assets even located handily in this hemisphere; it apparently never occurs to our Government to ask for assets to be turned over as security or in payment. That is not the way governments do business with one another. Only sordid business men and bankers do that. The French, having tried for something like four years to secure an utter cancellation of our debt, finally shifted gears and proceeded by degrees to offer an amount that sounds to the uninitiated ear like full payment, but which in fact is equivalent to about 25 cents on the dollar in real money; that is, in the kind of money they got from us.

Some strange factors enter into France's capacity to pay. For example, her present capacity to pay is manifestly reduced by the paramount necessity of waging a "righteous" (?) war against the Rifians in Africa. The hundreds of millions of real dollars thus required would seem to take easy precedence over the payment of her honest debt to our country.

Where does this lead to? What becomes of honesty, common sense, and honor if this elastic, absurd, treacherous principle of "capacity to pay" is to be established in our economic life. If Mr. Mellon, for example, were to let the debtors of the Mellon National Bank retain their assets and compromise their indebtedness to the bank largely on the basis of their own figuring as to their "capacity to pay," the Mellon National Bank would be blotted out of existence within 24 hours. And the same would be true, of course, as to all other banking institutions.

Suppose, further, that the large issues of bonds sold to our citizens by the international bankers on behalf of the French Government and French municipalities, when they come due from now on, are to be paid according to the "capacity" of France and her municipalities to pay. Judging by the offers of compromise lately made to the Calliaux Commission our Government's judgment as to France's "capacity to pay" is not to exceed 40 cents on the dollar. The French "capacity to pay" being thus established, are these other bonds, sold by the international banking houses, also to be compromised for 40 cents on the dollar? If not, what becomes of this new great theory? Is it to be applied to dealings between governments and has it no application to debts owing by the same government to individuals and banking houses? If so, then France will pay the bankers' bonds 100 cents on the dollar, principal and interest, but will pay our people's bonds less than 50 cents on the dollar.

Take the case of the Chicago, Milwaukee & St. Paul Railroad. This road was taken charge of by our Government in war time for war purposes and it is claimed the railroad was much the worse for the Government's wear. During the war the Government loaned to the St. Paul road, which was under its own control, \$55,000,000 at 6 per cent interest, compounded.

About a year ago the distressed St. Paul road tried to get relief from the 6 per cent rate of interest, but the Government refused to change the written obligation or to grant any relief. The capacity of the St. Paul road to pay was then, or at least is now, well known of all men. It has become bankrupt. It is in the hands of receivers. Our Debt Commission has just settled the prearmistice debt owing by Belgium to the United States for about 1¼ per cent interest, payable annually for 62 years, whereupon the entire principal is to be canceled. Will the United States Government make the same settlement with its own citizens, the stockholders of the St. Paul Railroad, that it made with the citizens of Belgium? Or will our Government give

the St. Paul road the 40 per cent compromise already offered France or even reduce the interest to 1 per cent for the next five years as just offered to France? If not, why not? If "capacity to pay" has any economic sense, here is a case to which it could easily be applied. By a "Belgian" or "French" settlement of this St. Paul debt the Government could enable the railroad immediately to get out of receivers' hands, with resulting boon to the thousands of stockholders and bondholders who are American citizens. But the Government would consider this paternalistic, unscientific, socialistic, or communistic. That is the same view it took when the farmers of the West, crying for help, were refused governmental aid. If it is paternalistic and unscientific for our Government to give our farmers a hundred or two hundred million dollars, why is it not at least equally paternalistic and unsound to give hundreds of millions of dollars, yes, billions of dollars, to aliens?

The money owing to our Government by France and Belgium is the people's money. The international bankers sold bonds on private loans to some of our people, and these bonds are owned by some of our people. The French debt under discussion is owned by all of our people. Why is it that the money of some of our people is sacrosanct, whereas the money of all of the people is something like stage money, the melodramatics taking place on the international stage? Also, why is it that "some of the people" can get 8 per cent interest from foreign governments for their money, while "all of the people" can get not to exceed 2 per cent or 3 per cent interest from the same governments? Is the people's money counterfeited? Or have we reached a stage of internationalism in which the money of the American people belongs in large part to the community chest of the world?

No wonder the French people laughed when they first saw our income-tax lists and read names of our gullibly honest citizens who pay their tax debts. The French propose to levy no income taxes for our debt. Their program as disclosed here called for a total amount of money to be paid to all France's creditors very much less than the amount France is to collect from Germany alone. This means that France is not willing to tax herself one dollar to pay us any part of our debt, principal or interest. What kind of "capacity to pay" is this? A very large part of our Government's income is derived from income taxes. We pay either the largest or the next to the largest income taxes of any country in the world. France has the same power to levy income taxes that the United States has. Our own "capacity to pay" would be seriously crippled if the power so to tax or the willingness so to tax our people were taken away. Now, either France is unwilling to collect income taxes from her own citizens to pay her honest debts, or her citizens are unable to pay income taxes and are bankrupt. No one in his right mind believes that either the French Government or the body of French citizens are bankrupts. Therefore, if France has no "capacity to pay," based on income-tax collections, it must clearly be because of her unwillingness to enforce such taxation. That is to say, France is perfectly happy to have us enforce burdensome income taxes on our citizens and wholly unwilling to pursue the same policy with her own citizens. It seems that France has great "capacity to borrow" in war time and little or no "capacity to pay" in peace time. If this financial philosophy is to be adopted, suppose it be widened so that our Government will loan money to another government on that government's "capacity to borrow." That will fix the amount of the loan. Then the question of payment back will be solved by the capacity of that same government to pay, both "capacity to borrow" and "capacity to pay" to be determined by the debtor nation. This would make an ideal quixotic foreign policy, and we surely ought thus to escape the epithet "Shylock."

The recognition and adoption of any such theory of payment by debtors as "capacity to pay" will threaten the whole structure of credit, honor, and confidence in commercial relations. Under the guise of this specious principle the people's money is exposed to waste, gifts, manipulation, and imperialistic uses. Sovereign promissory notes and bonds become "scraps of paper," indeed, and the savings of the people become the strategic plaything of political negotiators. If the American people ever have an opportunity to pass judgment on this thing they will hit it hard by merely applying President Coolidge's great domestic theory of common sense to international relations.

S. O. LEVINSON,

134 South La Salle Street, Chicago.

REGULATION OF AIRCRAFT IN COMMERCE

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

Mr. JONES of Washington. Mr. President, I think the bill that is the unfinished business has not been read. I ask that it may be read.

The PRESIDING OFFICER. The Secretary will read the bill.

The legislative clerk proceeded to read the bill.

Mr. McKELLAR. I desire to ask a question, but I do not see the author of the bill in the Chamber.

Mr. JONES of Washington. I had asked to have the bill read, as it has not yet been read.

Mr. McKELLAR. May I ask the Senator a question about subdivision (c), which provides, "To designate and approve air routes suitable for air commerce"? Should there not be a proviso there that no such designation and approval shall create a vested interest in anyone using the route?

Mr. JONES of Washington. I do not believe that is necessary.

Mr. McKELLAR. I think it would be prudent to put that in. It is not the purpose, I understand, to create or to give exclusive rights.

Mr. JONES of Washington. Certainly not. We could not very well do that as to the air, anyway.

Mr. McKELLAR. If we do not intend to do it, why not have it specifically stated that it is not to be done?

Mr. JONES of Washington. Of course, if that were necessary, I would have no objection to it. In fact, I personally have no objection to it, although I do not think it is necessary. But I will let the Senator submit his question to the Senator from Connecticut [Mr. BINGHAM], in charge of the bill, who is now in the Chamber.

Mr. McKELLAR. I will ask the Senator from Connecticut if he will accept an amendment, on page 2, line 16, as follows: "Provided, That no such designation or approval shall constitute an exclusive right," or "a vested right, in any person or corporation" in that particular route, or to any route.

I will have to draft the amendment, but this is my purpose: Air transportation is in its infancy, as I believe, and we do not want by license to preclude others from using any route that might be designated. I understand that is not the purpose of the Senator, or the purpose behind the bill, and I think it ought to be specifically stated in the bill that no vested interest shall go to any licensee under this provision or designation.

Mr. BINGHAM. Mr. President, I have no objection whatsoever, and shall be very glad if the Senator will draw an amendment.

Mr. McKELLAR. I will draw the amendment. I understand that the bill is now being read for the information of the Senate.

Mr. BAYARD. Mr. President, I want to ask a question about subsection (c), which reads:

To designate and approve air routes suitable for air commerce.

I did not understand the Senator to say whether or not the Secretary of Commerce would have complete control over such matters and could refuse a designation. In other words, suppose Mr. A lives in Maryland and Mr. B lives in Pennsylvania, a short distance away, and for their purposes they can establish a short air route. Would that have to be submitted for approval to the Secretary of Commerce?

Mr. BINGHAM. Not at all. This only applies to air routes suitable for interstate commerce, and when such an air route has received the approval of the Secretary, then and then only would it be possible for him to apply money appropriated by Congress for furnishing radio directional facilities, lights, and other facilities to such route.

Mr. BAYARD. In other words, individuals in two separate States could establish a route, but they would not get these accommodations from the Secretary unless they conformed to his rules and regulations?

Mr. BINGHAM. Exactly. There is nothing to prevent them from establishing a route.

Mr. BAYARD. But, other things being equal, if they conform to other regulations, there is nothing to compel him to give them all accommodations required under the act. That is purely arbitrary on his part?

Mr. BINGHAM. It is his duty, as he gets appropriations, to approve air routes and to provide them with facilities; but nobody is obliged to follow such routes, and it would not prevent anyone from laying out any route he might see fit to lay out himself.

Mr. BAYARD. Is there not a provision in the bill giving the Secretary of Commerce punitive power, in the event other people than the Secretary's agents or the Secretary himself, shall erect air beacons for guidance at night? Or, put it this way, assuming the Secretary laid out a course covering two or more States, and supposing two people have a course at right angles to that covering two or more States, their signals, as the Senator can well understand, might operate to distract people flying on the Secretary's course who observed the signals on the private course. Is there not a provision in the bill giving the Secretary punitive power to stop such matters as that?

Mr. BINGHAM. Yes; that is true, and it should be so, just as is done in a harbor or bay, where no one may exhibit any false light or signal to mislead navigation.

Mr. BAYARD. Suppose it is not for the purpose of misleading, although it does mislead, and the parties are carrying on a legitimate interstate operation?

Mr. BINGHAM. The punitive clause does not apply unless it is done for the purpose of misleading.

Mr. BAYARD. Who is to determine that?

Mr. BINGHAM. I suppose the court would pass on that. The Senator is referring to section 12?

Mr. BAYARD. Yes.

Mr. BINGHAM. It is a court matter entirely and is not in the hands of the Secretary of Commerce. That is a matter involving a \$5,000 fine or imprisonment for not more than five years.

Mr. BAYARD. It is a very substantial penalty.

Mr. BINGHAM. It would have to be a court matter, and it would be necessary to prove in court that the lights were exhibited with intent to interfere with air navigation.

Mr. BAYARD. Suppose they did interfere, but the operation itself of the transverse course were a perfectly legitimate one. Would the Secretary's route and the Secretary's signals have precedence in that case over the private route and the private signals?

Mr. JONES of Washington. Section 12 simply requires that the establishment of the lights or signals must be with intent to interfere.

Mr. BAYARD. I understand that, but what I do not understand is this: Assuming the Secretary lays out a route that necessitates night signals, and assuming two other parties lay out another route at right angles, with their own private signals, and assuming the lights of the individuals interfere as a matter of fact, though with no intent to interfere with the proper operation of the route established by the Secretary. They are not breaking the law, having no intent to interfere, but they are by interfering with a matter supervised by a Government officer.

Mr. JONES of Washington. They are presumed to intend what their acts accomplish, and I take it that if they put up a light that would interfere with a light on an established route the law might presume the intent to interfere.

Mr. BAYARD. Yet they are pursuing a perfectly legitimate course.

Mr. JONES of Washington. I should not say they were, if deliberately, after a route has been established and lights have been located along the route established by the Secretary of Commerce, they come in and establish another light that interferes with one already there.

Mr. BAYARD. Then in the last analysis the Secretary, by establishing a system of night lights, determines absolutely the routes to be followed in interstate commerce.

Mr. JONES of Washington. Oh, no.

Mr. BAYARD. It must be so.

Mr. JONES of Washington. You may follow any other route you want to, if you do not want to follow the route designated by the Secretary of Commerce.

Mr. ROBINSON of Arkansas. Of course, you could not follow a route, particularly at night, without lights or some sort of signals.

Mr. JONES of Washington. Certainly not.

Mr. ROBINSON of Arkansas. If commercial aviation goes forward, as we all hope it will and intend that it shall, it means necessarily that Government regulation of the matter shall become an exclusive regulation.

Mr. BAYARD. Absolutely.

Mr. ROBINSON of Arkansas. And that private individuals shall not attempt to establish air routes. I think it is right and proper, if it is necessary for the Government to enter the field at all, that the Government shall occupy it exclusively, and I think it would be exceedingly hazardous if private individuals were permitted to establish signals that would actually interfere with the signals established by the Secretary of Commerce. Such legislation as is proposed means Government control of the navigation of the air. That is what it is designed to mean, and with all due respect to the Senators in charge of the bill I think that is about the strongest proposition in support of their measure.

Mr. JONES of Washington. I think that is all right, but if someone who thinks there are objects which would direct him so that he could follow the course at night, there is nothing to prevent him from doing it.

Mr. ROBINSON of Arkansas. That would only be possible in a sphere where no navigation exists. Of course, the routes that are practical are going to be occupied pretty shortly. If

any development comes as a result of this legislation, if we make the progress it is hoped we will make, it will be only a few years before we will be having litigation touching rights in the air and rights of way in the air. We may all anticipate that. Necessarily, any private individual who establishes a route will, within a very short time, interfere with a Government route, if one shall have been established nearby, and when he does that, of course his route will have to give way to the one established by the Government.

Mr. JONES of Washington. I think that is true, if it interferes.

Mr. BINGHAM. I will say to the Senator that the analogy between air navigation and ocean and water-borne navigation is very close. One can imagine two people living along the Hudson River, let us say, who desire for their own purposes to navigate at night between their two houses, and who erect red lights and green lights and other lights for that purpose, which would interfere with the navigation of the river by the public. Such a thing would be prevented by law to-day, and should be prevented, and there should be no question whatever that if the Secretary of Commerce, in promoting air navigation, finds that any lights have been established which do interfere with the general navigation of the air by the public at night, those lights should be removed.

Mr. BAYARD. I do not think the Senator's simile is a very happy one, for the reason that he is taking a river for comparison, which flows in a course to which we are all confined. But we have a broad expanse of land, 3,000 miles wide, and are not confined to any one course.

Mr. BINGHAM. It is like the ocean, if I may change the simile.

Mr. BAYARD. No; I do not think it is like the ocean. I do not agree with the Senator there at all. It is a different thing. People are spread all over this land, and people are not spread all over the ocean. People do not live on the ocean; they do live on the land. I can not see that the simile is a good one.

Mr. BINGHAM. In all arguments regarding air navigation we are so accustomed to thinking in terms of railroads and in terms of automotive transportation that we think that because the air touches all the villages and hamlets there can be air navigation between all such, just as though we should think that because the water touches all parts of the coast line there could be harbors in any part of the coast line and seaports could be established anywhere. As a matter of fact, the amount of air navigation that can be carried on is limited, just as the amount of water navigation is limited, by the contour of the land, by the possibility of securing landing fields, and by other things which come up, so that actually air ports can not be established wherever there is air any more than you could establish a seaport wherever there is water, but only where it is suitable to have a port.

Mr. ROBINSON of Arkansas. The wind would have something to do with it, too.

Mr. BINGHAM. Undoubtedly.

Mr. GEORGE. On that point I would like to make an inquiry of the Senator. In section 17 it is provided that—

The Secretary of the Treasury is authorized to designate places in the United States as ports of entry for aircraft engaged in foreign commerce.

What I wish to suggest is that it does seem to me that it would be very much better that the Secretary of the Treasury, or some other official, should prescribe rules under which places in the United States might be designated as ports of entry for aircraft engaged in foreign commerce. In other words, why the necessity of giving to one man such broad power? That is just one instance in the bill, but I want to call attention to it. There is not a particle of excuse for it, in my judgment. It concentrates in his hands the absolute power to say what place shall be a port of entry for aircraft engaged in foreign commerce. Why is it not better, and acceptable to the Senate, to give to the Secretary of the Treasury power to prescribe rules and regulations under which any place would be entitled to qualify as a port of entry if it could qualify?

Mr. BINGHAM. I will say to the Senator that my understanding is that if a place is designated as a port of entry, then the Secretary of the Treasury must provide officials to operate it.

Mr. GEORGE. I understand; but the Senator's bill gives it to the Secretary flatly to designate these ports, and perhaps it will grow more important in the future. It gives to one man the power to say what place shall be a port of entry for all aircraft engaged in foreign commerce coming into the United States.

That is too much authority to place in a man's hands. It would be going a long way to permit him to prescribe the rules and regulations to be complied with by any place that wanted to be designated as a port of entry. I am just calling the Senator's attention to it. If the Senator will refer to the penalty provisions of the bill, for instance, section 12, he will find that it reads:

Any person who, with intent to interfere with air navigation, exhibits within the United States any false light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal prescribed by the Secretary of Commerce under this act, or regulations made thereunder, or for a light or signal—

And so forth.

The penalty imposed upon one convicted for that offense is punishment by fine of not more than \$5,000 or imprisonment for not more than five years, or both. That is to say, if a man exhibits a light at any point in the United States which is likely to be mistaken for a light which the Secretary of Commerce may designate in his office at Washington without public notice to anybody who is not familiar with that office, he is guilty and that penalty may be imposed upon him. In other words, in the broad field of air navigation we are prescribing a severe penalty, and the very basis of the action against the man who violates it is an order issued by the Secretary of Commerce.

Mr. BINGHAM. I think the Senator has failed to notice the first line of section 12, which prescribes that "any person who with intent to interfere with air navigation," and so forth.

Mr. GEORGE. Oh, I know; but the matter of intent is inferred from an act, and we charge every responsible man with the natural effect of his voluntary action.

Mr. ROBINSON of Arkansas. One is presumed to intend the natural consequences of his act. If his act is found by a jury to be calculated to interfere with the regulations of the Secretary of Commerce, he would be presumed to have intended that result.

Mr. GEORGE. Certainly. What I wanted to say to the Senator from Connecticut is that I have full sympathy with the purposes of the bill, but if the time ever comes when we shall cease to delegate all authority to bureaus in Washington, it would seem to be an appropriate time when we enter the air field to commence our legislation in that field. The bill gives too much power. I am pointing out merely two sections, but the bill gives too much power to a single official here in Washington—for instance, the Secretary of Commerce in section 12—and quite too much power which might be arbitrarily exercised by the Secretary of the Treasury under section 16 of the bill, to which I have already called attention.

I am not calling attention to these sections for the purpose of putting myself in opposition to the general purposes of it. We all recognize that legislation is proper and perhaps necessary in this particular field, but I do not think a bill ought to be framed that gives so much power to one single individual. I do not think when the Congress of the United States is imposing such a severe penalty as \$5,000 in money and imprisonment for not more than five years or both, that we should fail in our duty to specifically declare the act which would be criminal and not make it depend upon a regulation of the Secretary of Commerce. It is a public act, of course; and I understand, of course, that we often have to resort to regulations of that kind and prescribe penalties for the violation of acts and orders of the various heads of departments; but we are entering this field, and I can not see the necessity for delegating so much power and authority to these individual officials.

Mr. BINGHAM. The intent of this section which has met with the Senator's objection was to make air navigation at night as safe as possible. If any court should find that any person, with intent to interfere with navigation, had exhibited a false light or signal in such manner as to be mistaken for a true light or signal, and should find him guilty, the court could then, in its discretion, impose any penalty up to \$5,000 or imprisonment for five years. It rests entirely with the court. It does not rest with the regulations of the Secretary of Commerce.

If the Senator objects to the phrase in lines 22 and 23, "or regulations made thereunder," the committee, so far as I am able to speak for them, would be entirely satisfied to accept an amendment from him striking out those words. The object is merely to protect those who go in the air, which is perhaps in some ways the most dangerous form of navigation when it does not receive proper protection of lights, and it may be made very safe if it does receive that protection. Only the other day in Pennsylvania one of our splendid air mail pilots

was wrecked in a time of mist and fog and was killed. It is assumed by some—though no one will ever know the facts, because there were no witnesses—that he mistook a light he saw along the route for a directional light and consequently got off his route and crashed into the side of the mountain. It is extremely important that there be no mistake about these lights that are exhibited at night.

Mr. ROBINSON of Arkansas. Mr. President, with respect to the suggestion of the Senator from Georgia [Mr. GEORGE], I think the Senate might very well strike out the language which attaches a severe penalty to a violation of a regulation which has not even yet been promulgated or decided upon by the Secretary of Commerce. It might be that the Secretary will adopt regulations which the Senate would feel loath at least to impose such a penalty as section 12 carries. I think it is objectionable to make criminal a violation of a regulation which has never been adopted. It is bad enough to make criminal a violation of a departmental regulation after it has been adopted.

But with respect to the broader subject, the establishment of lights for the direction of air navigators, my opinion is that the time will speedily come when it will be necessary for the Government exclusively to establish lights and to forbid the establishment of lights for air-navigation purposes by private persons or associations of persons.

The inevitable result of two or more agencies undertaking to regulate the navigation of air would be confusion, accidents, destruction of property, and loss of efficiency in service. For my part I would rather see a statute providing that no lights for navigation purposes shall be established except upon the approval of some board or the head of some department, so that any person who desires to establish an air signal would be required to present his application to a Government agency and have it passed upon, to the end that confusion might be avoided.

I want to say that if the Department of Commerce does not operate under the provisions of this bill any better than it does under the act of 1912 authorizing the regulation of radio communication, if it permits the establishment of lights calculated to confuse air navigators as it has granted permits which are in conflict with one another under the radio act, we would find it necessary to repeal the act and find some other agency that would perform this service intelligently, efficiently, and with due regard to vested rights.

Mr. GEORGE. I recognize the necessity for the display of lights in air navigation. There is no question about that. I myself agree with the Senator from Arkansas that no light should be allowed to be displayed until it had first been submitted to and permitted by some official or board in Washington. What I merely called attention to was the severe penalty attaching in advance of such regulation of the Secretary of Commerce.

Mr. ROBINSON of Arkansas. There is no objection to attaching the severest possible penalty to the act of a person who is guilty of intentionally establishing a light for the purpose of interfering with air navigation, because his act is in its nature bad and it is essentially criminal; but one might violate a regulation set up by the Secretary of Commerce, and the regulation itself might be ill considered, unwise, and unfair, as regulations sometimes are.

Mr. BINGHAM. Will the Senator from Georgia offer an amendment?

Mr. GEORGE. I did not know we were reading the bill for the purpose of amendment. If so, I will offer the amendment.

The VICE PRESIDENT. The bill is subject to amendment at any time.

Mr. GEORGE. I did not know it was open to amendment. I ask that the section may go over until I prepare an amendment. What I want to strike out is "or regulations made thereunder."

Mr. BINGHAM. We are now proceeding with the formal reading of the bill.

Mr. GEORGE. Commencing with the word "or," in line 22, page 6, and ending with the word "thereunder," in line 23, of section 12, I move to strike out the language.

Mr. ROBINSON of Arkansas. I ask unanimous consent, with the permission of the Senator from Connecticut, to dispense with the formal reading of the bill, and that the bill be read for amendments, if the Senator is ready to proceed in that way.

PROPOSED ROOSEVELT MEMORIAL

Mr. KING. Mr. President, in view of the activities of persons connected with the Roosevelt Memorial to secure the approval of Congress of the plans which the Roosevelt Memorial Association have prepared, I desire to submit a brief state-

ment and have read an editorial appearing in the New York World of yesterday.

I have received a letter from the association, and doubtless each Senator and Congressman has received a similar one, which, in effect, asks Congress to approve the report of the association. Accompanying the letter was an elaborate statement, beautifully bound and artistically formed, and also a photograph of the memorial and its relation to the Washington Monument and the Lincoln Memorial and the public grounds in the vicinity of these national monuments. The report and the photograph referred to show the purpose of the association to erect a monument to Mr. Roosevelt near the Washington Monument, and in such a position that it will be linked with the Monument and the Lincoln Memorial.

In the language of the editorial which I have just referred to—

It would place Roosevelt on a par with Lincoln and Washington and there would be no room left to honor any other American of the past or the future.

The plan is to take the one available site in the vicinity of the Washington Monument and the Lincoln Memorial and devote it to a memorial to Mr. Roosevelt, to the exclusion, of course, of all except Washington and Lincoln who have preceded him, and the immortal figures in our national life who were his contemporaries or who may come after him. I have no purpose to disparage the achievements of Mr. Roosevelt or to attempt in any way to detract from his admirable record as a citizen and as a public servant. But I respectfully submit that it is an ill-advised, if not an audacious, plan which contemplates the placing of Roosevelt's name alongside that of Washington and Lincoln, and the creation of a great national triumvirate by constituting Mr. Roosevelt the third member in this illustrious and immortal group.

No one will object to a suitable monument erected to the memory of Theodore Roosevelt; indeed, there will be general approval of a plan to erect at some suitable place in the District of Columbia a monument or memorial to a man who has twice been President of the United States. There will be, however, and properly so, objections to erecting a monument or memorial at such a place as will indicate a purpose to apotheosize Mr. Roosevelt and declare to the world that the three immortal figures in our history are Washington, Lincoln, and Roosevelt.

Mr. President, we have no statue or suitable memorial in the District of Columbia to Benjamin Franklin. Many American people would say that Franklin, the diplomat, the statesman, the scientist, the writer, is worthy of a memorial such as that which is indicated in the report and the photograph which I have referred to. His great personality, his towering intellect, and his matchless services in the establishment of this Republic entitle him to a place within the hearts of the American people. There are many people in this country and throughout the world who regard Thomas Jefferson as the greatest political philosopher that has come to bless humanity and to point the way to liberty and progress; author of the Declaration of Independence, the statute for religious freedom, the founder of the University of Virginia, the President who embedded the principles of justice and liberty in eight years of glorious administration. The name of Hamilton will live as long as our country lasts. His genius and his achievements entitle him to a high place among the mightiest of our country. James Madison is one of the giant figures to whom no suitable memorial has been erected. He is justly called the father of the Constitution, and he gave to his country years of faithful service. Andrew Jackson, Daniel Webster, and other heroic figures pass before our gaze as we look upon the marching forces that have carried forward the flag of our country and advanced it to its exalted position among the powers of the earth.

I do not ask that a comparison be instituted between Theodore Roosevelt and those whose names I have mentioned. It is not necessary, but I feel sure the American people will not be willing to yield to Mr. Roosevelt the place, physical or otherwise, which the association, it would appear, insists he shall occupy. I hope the association will not press its demand. The editorial referred to is a temperate one, and I think will meet the approval of the American people. I send it to the desk and ask that it be read by the clerk.

The VICE PRESIDENT. Without objection, the editorial will be read as requested.

The principal clerk read as follows:

A MISPLACED MEMORIAL

It is most unfortunate that there should be any possibility of controversy over the erection of a memorial to President Roosevelt. There

would be none but for the proposal of the Roosevelt Memorial Association that the monument be placed in the one spot of all spots in the United States where it can not and should not be placed.

Those who have been to Washington or have seen a plan of the site which the association is asking Congress to approve can not fail to see how inappropriate it is. They will remember the Washington Monument, with the four great vistas that lead out from it. At the end of one vista stands the Capitol; at the end of another the White House; at the end of a third the Lincoln Memorial. The fourth and last is still vacant. It is this site which the Roosevelt Memorial Association proposes to take as an exclusive memorial to Theodore Roosevelt. If the request were granted, Roosevelt would be placed on a par with Lincoln and Washington, and there would be no room left to honor equally any other American of the past or the future.

Mr. Roosevelt died in 1919. That is about seven years ago. The Roosevelt Memorial Association is ill-advised to challenge comparisons with Washington and Lincoln so soon. The verdict of history on Roosevelt has not yet been delivered and the popular verdict of his contemporaries is by no means unanimous. He was a great personality, but it is far from established that his services put him on the same plane with the Father of his Country or the preserver of the Union. It is possible to believe that Theodore Roosevelt was a great man without believing that he was as great as all that.

It has been suggested that the memorial be placed in Rock Creek Park. That is a good suggestion. It has been suggested that the site opposite the White House be used not as a memorial to one man but as a memorial to many men. That also is a good suggestion. It has been proposed that the site be used to build a home for the Supreme Court. That also is a good suggestion. The only bad suggestion is to use up this last remaining site as a memorial to one President whose place in history is still uncertain.

The Roosevelt Memorial Association ought to withdraw its request. It ought not to put Congress and the President and the people of this country in the embarrassing position where they have to compare Roosevelt with Washington and Lincoln and have to refuse one kind of honor to a man whom they would gladly honor in another way. But if the request is not withdrawn there is no doubt that it is the duty of Congress to deny it.

PROPOSED INVESTIGATION OF FOREIGN INDEBTEDNESS

Mr. CURTIS. I ask unanimous consent that the resolution submitted by the Senator from Missouri [Mr. REED] this morning, which went over on my objection, be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, it is so ordered.

REGULATION OF AIRCRAFT IN COMMERCE

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes.

The VICE PRESIDENT. Is there objection to the request which has been made by the Senator from Arkansas that the formal reading of the bill may be dispensed with? The Chair hears none, and it is so ordered.

Mr. McKELLAR. I offer the following amendment to the bill: On page 2, after the word "commerce," in line 16, I move to add the following proviso:

Provided, That designation and approval shall create no vested interest in the licensee, and the license may be withdrawn at any time by the Secretary of Commerce.

Mr. BINGHAM. I see no objection to that amendment.

Mr. ROBINSON of Arkansas. Let the language of the amendment be stated from the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 16, after the word "commerce," it is proposed to insert the following:

Provided, That designation and approval shall create no vested interest in the licensee, and the license may be withdrawn at any time by the Secretary of Commerce.

Mr. ROBINSON of Arkansas. I should like the Senator from Tennessee to state the object of his amendment. I understand the effect of it.

Mr. McKELLAR. I do not think the Senator from Arkansas was present in the Chamber at the time the subject was discussed. In my judgment, when air routes are established, no vested interest should be created in the routes, which may be designated and approved. As I understand the Senator in charge of the bill, it was not the purpose of the bill to create any vested interest in such routes. I, therefore, ask him to accept the amendment.

Mr. ROBINSON of Arkansas. Does the Senator from Tennessee think that by mere legislative declaration we can escape the vesting of rights if the conditions, which legally are incident to the vesting of rights, shall exist?

Mr. McKELLAR. If rights are carried by this bill in any way, then we have a right to limit those rights. If we wish to say that they shall not be vested rights but mere licenses, we can so provide in my judgment, and that is what the amendment proposes to do.

Mr. BINGHAM. I know of no place in the bill which proposes to give the Secretary of Commerce power to license anyone to use an air route or which gives him the power to license an air route.

Mr. McKELLAR. I will refer to the point in the bill which I have in mind. A subsequent section, as I recall, indicates that it does.

On page 7, paragraph (c) of section 14 gives the Secretary the power—

To publish from time to time a bulletin setting forth all licenses and permits issued or revoked under the provisions of this act.

That indicates that he is to issue licenses for a route, or that he might do so.

Mr. FLETCHER. That refers to licenses for flying airplanes.

Mr. BINGHAM. The only licenses referred to, I will say to the Senator, are licenses for pilots after examination, licenses for airplanes after they have been shown to be air worthy, and licenses for mechanics after they have been shown to be capable for aviation work.

Mr. McKELLAR. Then, in section 13—

The Secretary of Commerce is authorized to chart commercial air routes and to arrange for the publication of maps of such air routes, utilizing the facilities of existing Government agencies so far as practicable.

The inference, as it seems to me, is that he has the right to license routes. I merely want to guard against vested interests accruing.

The same question arose in the matter of radio, and we know that there are already claims made of vested rights to the use of radio service.

Mr. ROBINSON of Arkansas. Mr. President, there is no reason in the world why Congress should attempt to take away from a person rights which have vested. I think legislation of that character is the worst form of legislation in which Congress can indulge. I know of instances under the very statute referred to by the Senator from Tennessee where thousands of dollars have been invested under permits granted by the Secretary of Commerce for the operation of radio stations. Does the Senator believe that the Secretary ought to have the arbitrary right to revoke those permits and to deprive the citizens who made the investment of their rights? If so, upon what theory does he proceed? I know of nothing more wholesome as a safeguard of legislation than to say that when Congress enacts a law and gives to a man a right he shall have the enjoyment of it; that Congress will not deprive him of his property after he has acquired it. Now is the time to determine whether we want to give the Secretary of Commerce the power to establish these routes; but, having established them, we ought to preserve them, unless necessity calls for a change.

I do not think there is anything in this bill that gives the Secretary the right to license an individual to the exclusive enjoyment of an air route. I do not find it anywhere in the language employed; but I am not willing to subscribe to a measure couched in terms which permits a citizen to acquire rights and then says, "Notwithstanding we have granted you this privilege and this right, we reserve the power to take it away from you whenever it becomes valuable to you." If we wish to encourage or promote the navigation of the air, the best way to do it is to make it profitable to navigate the air. We can not do it by holding out the threat to the man who is to engage in an enterprise that the minute his property becomes valuable we will take it away from him.

I assume the Senator from Tennessee has given great study to this subject. If he has, I should be very strongly disposed to follow his suggestion in the matter; but I do not find anything in the language of this bill which reposes in the Secretary of Commerce the power to revoke his action without cause and to withhold from the beneficiary of the legislation the advantages of his diligence, his enterprise, and his energy.

Mr. BINGHAM. I will ask the Senator if the situation could be met by an amendment such as the one I am about to read:

Provided, That nothing in this act shall be construed as granting any exclusive right in the use of an air route.

Mr. McKELLAR. That will be entirely satisfactory. It is, in substance, what I have in my amendment.

Mr. President, I desire to say as to exclusive rights that, as I understand, the air is somewhat similar to water. We would not for a moment think of establishing exclusive rights in Lake Michigan, which is entirely within the limits of the United States, and say that a vested interest to any particular part of Lake Michigan should accrue to a private licensee of the Government. So it seems to me the air, being the common property of all the people, no exclusive route should be granted to any particular licensee, and to guard against that I offered the amendment. The amendment which the Senator from Connecticut has suggested, it seems to me, covers the case entirely, and if that course will be satisfactory I will be very glad to agree that it may be substituted for the one offered by myself.

The VICE PRESIDENT. The question is upon the amendment offered by the Senator from Connecticut.

Mr. ROBINSON of Arkansas. Mr. President, I just want to say that the proposition as submitted by the Senator from Connecticut is, to my mind, a very different one from what I understood the proposal of the Senator from Tennessee to be.

Mr. McKELLAR. If there is any difference between them, I do not understand it. There may be.

Mr. ROBINSON of Arkansas. For instance, what are now designated as exclusive routes. I suppose that means the exclusive right to enjoy the route or to use it. I have no objection to that, of course; but after one has once been granted a permit, I shall object to taking it away from him unless he forfeits it by misconduct or violation of the conditions of the permit.

Mr. BINGHAM. The amendment that I offered reads:

Provided, That nothing in this act shall be construed as granting any exclusive right in the use of an air route.

Mr. McKELLAR. That will be entirely satisfactory. It covers it exactly, it seems to me.

Mr. FLETCHER. Where does that come in?

Mr. BINGHAM. On page 2, line 16, after the word "commerce."

Mr. FLETCHER. I have no objection to that. I do not think there is anything in the bill which would give the Secretary any authority to do that, anyhow. Certainly I should oppose that. I think clearly the power ought not to be given to any department to grant some individual or some concern the exclusive right to operate aircraft on a certain route. The air is public property, just as the ocean is. It is a highway, and we can not divest the public of its rights in the air; and, even if we tried to do so, I do not believe we could vest in the head of any department the authority to parcel out the air. Does the Senator from Georgia see any objection to that amendment?

Mr. GEORGE. None whatever, except a slight suggestion that he might have some such right.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut.

The amendment was agreed to.

Mr. KING. Mr. President, I move to amend section 2—if we are still on section 2—page 1, lines 10 and 11, by striking out the words "every way possible and to do all things necessary therefor," and striking out the word "cooperating," and inserting in lieu thereof the following:

such manner as Congress shall provide, and he shall cooperate.

And on the next page, to complete that amendment, I move to strike out the word "consulting" and insert the word "consult," so that it will read as amended:

It shall be the duty of the Secretary of Commerce to foster commercial air navigation in such manner as Congress shall provide, and he shall cooperate and consult with all other established governmental agencies—

And so forth.

I offer that amendment, may I say, because I am rather suspicious of some of these departments. If we say to the Secretary of Commerce that he shall do everything possible and do all things necessary to accomplish a certain end, he may conceive it necessary to do something not authorized by Congress, and which Congress had not contemplated. We certainly do not want to give him carte blanche authority to exercise an unlimited and unlicensed and unrestricted discretion to enter into every scheme and every project which he may conceive to be necessary or proper in the development of aerial navigation.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. KING. I do.

Mr. McKELLAR. Does not the Senator think that it ought to be further limited, so as not to apply to all other established governmental agencies? There is no necessity that he should cooperate with all of them. There are a great many governmental agencies, as the Senator knows.

Mr. KING. Yes.

Mr. McKELLAR. I suggest the use of the words "all other appropriate governmental agencies." Surely we do not want to build up a vast machine here.

Mr. KING. Perhaps the amendment suggested by the Senator from Tennessee is an appropriate one, although in my hasty reading of the section I took it for granted that the Secretary would only cooperate and consult with those agencies of the Government that were actively interested in the promotion of aviation. I do not object, however, to the language suggested by the Senator.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator have the language read as it will read if his amendment should be incorporated in it?

Mr. KING. I have not yet handed it to the Secretary. Will the Secretary get it and read it?

Mr. ROBINSON of Arkansas. I just want to make this suggestion to the Senator: I think the language can be improved. The words "in every way possible and to do all things necessary therefor" are quite general, and at the same time not the best form; but the object of this bill is, as I understand, to put on the Secretary of Commerce the initiative of stimulating and promoting commercial air navigation. I am afraid that the language which the Senator has used would deny him that initiative and put it on the Congress; and I think that is a very important distinction, and one that we may well keep in mind in the consideration of this proposed legislation.

I think it a good thing to intrust somebody with the responsibility of promoting the development of this branch of industry, and I think an executive department can do it better than the Congress can, for many reasons which I am sure will appeal to my friend the Senator from Utah. Now, since always the Secretary is under the necessity of justifying his plans and proposals by presenting his requests for appropriations, my judgment is that it would be better to leave the initiative with the Secretary rather than to impose it upon the Congress. In other words, every time he wanted to take a certain action, I do not think we should require him to come to Congress and get consent to that immediate action. It seems to me the better way to do it would be to let him submit his budget or his proposal justifying the items of appropriation that he asks and then the Congress would accept such as it believed proper and reject the others. In that way I think we would get better results than we would if we were to say that before anything could be done the Congress must outline just what should be done.

Mr. KING. Mr. President, I have so much respect for the judgment of my leader, the able Senator from Arkansas, that whenever he makes a statement I usually agree instantly. If I thought that the amendment which I had offered contemplated or would be construed as requiring the Secretary of Commerce, before initiating any movement, to secure the specific approval of Congress, I should not press my amendment under any circumstances. It does seem to me, though, that a proper construction of my amendment would not lead to the interpretation or to the conclusion which has just been stated by my friend. Let me read it again:

It shall be the duty of the Secretary of Commerce to foster commercial air navigation in such manner as Congress shall provide, and he shall cooperate and consult with all other established governmental agencies, Federal or State, and take advantage to the fullest degree possible of the facilities they can offer.

Mr. ROBINSON of Arkansas. Will my friend yield for just a moment?

Mr. KING. Yes; I yield.

Mr. ROBINSON of Arkansas. I am convinced now that the language is open to the suggestion I made a minute ago after hearing it read by the Senator from Utah. Under this bill, if it is amended as the Senator from Utah suggests, the only way in which the Secretary of Commerce shall proceed is in such manner as Congress shall direct. That means that Congress must tell him first what he shall do to promote commercial air navigation. I think the primary object of the Senator from Utah can be accomplished by striking out the words "in every way possible and to do all things necessary therefor," which are surplusage in a measure, and add nothing to the legal authorization contained in the bill, so that it will read:

It shall be the duty of the Secretary of Commerce to foster commercial air navigation, cooperating and consulting with all other established governmental agencies, Federal or State, and taking advantage to the fullest degree possible of the facilities they can offer.

Mr. KING. I am willing to accept that. That will reach the end which I have in view.

Mr. ROBINSON of Arkansas. Very well.

Mr. FLETCHER. Mr. President, the further objection which was raised by the Senator from Tennessee could be obviated by striking out the word "all," so as to read "consulting with other established governmental agencies."

Mr. KING. Let us deal with my amendment first.

Mr. FLETCHER. That is a part of the Senator's amendment.

The VICE PRESIDENT. The question is upon agreeing to the amendment submitted by the Senator from Arkansas [Mr. ROBINSON].

Mr. KING. If the Senator will offer that as his amendment, I shall withdraw mine.

Mr. ROBINSON of Arkansas. Very well. Then I move to strike out the words commencing on line 10, "in every way possible and to do all things necessary therefor," and, on page 2, line 1, strike out the word "all" after the word "with."

Mr. BINGHAM. I have no objection to that amendment, Mr. President.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Connecticut a question. Has the Senator from Connecticut any idea as to what is going to be the cost of this undertaking? Has he had any estimate made or could he say what would be the cost of enforcing the provisions of this bill?

Mr. BINGHAM. There is no appropriation provided for in the bill.

Mr. McKELLAR. Oh, I understand that, but money will be asked for to carry out its provisions; and what I want to know is whether the Secretary of Commerce has ever furnished any estimate as to what it would cost.

Mr. BINGHAM. He has not furnished any estimate as yet; but, as he has told one of the investigating committees, it is not believed that the expense at first will be very great. Commercial air navigation is so much in its infancy, Mr. President, that we are in danger of trying to give it too much regulation and too little free assistance.

Although I offered no objection to the elimination of the words just stricken out in the amendment offered by the Senator from Arkansas, I should have had to object to the amendment offered, but later withdrawn, by the Senator from Utah [Mr. KING], because in the growth of an art and a science so much in its infancy as aviation it is necessary to give a free hand, and not to have to come to Congress to ask for certain specific things even before it is known that they are required. The amount of money needed for this purpose will not be very great at the beginning; but it will have to be provided in a separate appropriation bill, and can be discussed at that time.

Mr. McKELLAR. Of course that is true; but I was just wondering if the Secretary of Commerce—who evidently is in full sympathy with the bill, I take it—would be willing to give to the Congress some estimate of how much it would cost.

Mr. FLETCHER. Mr. President, I take it that that depends on the development.

Mr. McKELLAR. I do not know what sort of machinery he is going to set up for the enforcement of the bill, and I imagine that he has in his own mind something that he proposes. He will have to have it as soon as the appropriation bill comes up.

Mr. BINGHAM. I will say to the Senator that after the passage of a similar bill by the Senate of the last Congress and by the Senate of the Congress preceding that and its failure to pass the House, the House Committee on Interstate and Foreign Commerce, in connection with the Department of Commerce and a committee from the American Bar Association, drew up a very long and complicated bill which provided for the promotion and regulation not only of interstate and foreign air commerce, as this bill does, but for the regulation of intrastate air commerce.

The estimates which were made and the plans which were drawn in that bill, looking a long way ahead toward the growth of air navigation, and providing for inspection in each State and in a great many different places, were quite different from the very simple basic principles incorporated in this bill. Until the House has passed a bill corresponding to this, or this bill

with amendments, it would be almost a work of supererogation for the Secretary of Commerce to say how much the thing would cost.

Mr. GEORGE. Mr. President—

The VICE PRESIDENT. The Senator from Ohio [Mr. WILLIS] has been standing for some time. The Chair recognizes the Senator from Ohio.

Mr. WILLIS. I desired to offer an amendment to a different section. If the Senator from Georgia desires to make some comment on this section, I will yield to him.

Mr. GEORGE. I merely desire to offer two amendments to two different sections of the bill. They are very short.

Mr. WILLIS. I yield to the Senator.

The VICE PRESIDENT. The Senator from Georgia.

Mr. GEORGE. Mr. President, I am not sure but that the amendment suggested by me awhile ago to section 12 of the bill was accepted; but in order to make certain of that, I move that beginning with the word "or" on line 22, section 12, page 6 of the bill, and going through the word "thereunder" in line 23 of the same section on the same page, reading "or regulations made thereunder," be stricken from the bill.

Mr. BINGHAM. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GEORGE. I move on page 9, section 16, lines 1 and 2, that the words "is authorized to designate" be stricken out and that in lieu of those stricken words the following words be inserted: "shall, by regulation, provide for the designation of," so that the clause as amended will read:

The Secretary of the Treasury shall, by regulation, provide for the designation of places in the United States as ports of entry for aircraft engaged in foreign commerce.

On that I merely wish to say that as the bill now stands it gives the Secretary of the Treasury the arbitrary right to designate the places, and the purpose of the amendment is to require the Secretary to provide by regulation for the designation of these places.

Mr. ROBINSON of Arkansas. So as to prevent discrimination in localities.

Mr. GEORGE. That is all.

Mr. BINGHAM. I am very glad to accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. WILLIS. Mr. President, I desire to direct the attention of the Senator from Connecticut to section 4 of the bill. Under the head of registration it is provided, among other things, that—

No aircraft shall be so registered * * * unless it is owned by (a) an individual who is a citizen of the United States or its possessions or (b) a partnership of which each member is an individual citizen of the United States or its possessions, or (c) a domestic corporation, of which the president and three-fourths or more of the board or directors or managing officers thereof, as the case may be, are individual citizens of the United States.

It has been brought to my notice that there is at least one instance in which there is an organization greatly interested in aircraft production which could not quite comply with that requirement, where it is provided that three-fourths or more of the board of directors shall be individual citizens of the United States, but could comply with it if it were amended so as to provide for two-thirds. I move to strike out "three-fourths," in line 4, page 4, and to insert in lieu thereof "two-thirds."

Mr. BINGHAM. I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. WILLIS. That having been agreed to, there ought to be a similar amendment in line 7 to strike out "75" and to insert in lieu thereof "66%."

Mr. BINGHAM. Let it be read.

The LEGISLATIVE CLERK. On page 4, line 7, strike out "75" and insert "66%," so that as amended it will read:

(b) A partnership of which each member is an individual citizen of the United States or its possessions, or (c) a domestic corporation of which the president and two-thirds or more of the board of directors or managing officers thereof, as the case may be, are individual citizens of the United States or its possessions, and in which at least 66% per cent of the interest is owned by persons who are citizens of the United States.

Mr. BINGHAM. I have no objection to that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. KING. Mr. President, I direct the attention of the Senator from Connecticut to paragraph (1), beginning on line 4, page 3, reading as follows:

To operate, and for this purpose to purchase, when appropriations shall have been made to do so, such aircraft as he may deem necessary for carrying out the provisions of this act.

I will ask the Senator whether his understanding of this provision is that the Secretary of Commerce may operate aircraft for commercial purposes and purchase aircraft for those purposes.

Mr. BINGHAM. I do not so understand it.

Mr. KING. Or that it contemplates that the Government, through the Department of Commerce, shall embark upon the transportation business through the air.

Mr. BINGHAM. Not at all. It merely gives the Secretary of Commerce the power to purchase and use such aircraft as he may deem necessary for carrying out the provisions of this act. These provisions do not relate to establishing any commercial line, but they do provide for the inspection of planes, for the investigation of motors, and for the certification and licensing of airmen. If he is to do that effectively, and at a minimum of expense of time and money, it would be better for his inspectors to fly around the country rather than to have to use other means of transportation.

Mr. KING. I think I can assure the Senator that if this bill goes through with that section in it the amount required to meet the expenditures under subdivision (1), if we develop any amount of commercial aviation in the United States, will aggregate hundreds of thousands of dollars annually, and perhaps will run into the millions. I do not need to state to the able Senator from Connecticut that the operation of airplanes is expensive; that the cost of airplanes is enormous. Before the war you could buy a standard machine and some of the airplanes we were using for the training of our boys for \$5,000. Now, you can not get a good airplane for less than \$25,000. Some of them cost very much more, probably running up to \$50,000. If this section goes through unamended, applications will be made to Congress for a large number of planes, and the life of a plane, as the Senator knows, is only a few hours, probably an average of 200, certainly less than 500 hours.

Mr. BINGHAM. May I interrupt the Senator?

Mr. KING. Certainly.

Mr. BINGHAM. I will say to the Senator, in regard to the life of a plane, that he has been misinformed, for there are now planes operating between London and Paris, carrying passengers every day between those two great capitals, under the licensing and approval of the air boards, which have been in the air for 3,000 hours. I will also say to the Senator, in regard to this section, that the second clause on page 3, lines 4 and 5, reads, "when appropriations shall have been made to do so."

Mr. KING. I understand.

Mr. BINGHAM. I am sure that the Congress would not approve any extravagant appropriations to permit inspectors to travel around the United States, but if the Secretary of Commerce is to lay out proper air routes, he must use airplanes in doing it. It can not be done from the ground.

Mr. KING. I have no doubt that if this section becomes part of the law—and that is what I was proceeding to state—there will be applications from the Department of Commerce for appropriations exceeding hundreds of thousands of dollars, and perhaps amounting to millions, to carry out the provisions of this section. The Senator knows that if you have airplanes you must have pilots and all of the accessories that go with the furnishing of pilots. You must have your airdromes, and the multitude of employees that will be required will be astonishing. The Senator knows that it takes a great many employees for every pilot. I think that in some of the aviation fields the proportion of employees to pilots has been 20 to 1, in some instances 30 to 1, and in some instances as many as 50 to 1. So, with the purchase and operation of airplanes, and with the pilots, and with the necessary machine shops to care for the planes, and with the necessary civilian employees to aid the pilots and to repair the planes, you will have mounting bills, so that the inquiry of the Senator from Tennessee [Mr. McKellar] will be answered when we are called upon to appropriate millions of dollars for the execution of the purposes of this act.

I shall not move to amend, but I express now my dissatisfaction with this provision, and I think the Senator will live

long enough to regret that more restrictive language was not placed in the bill.

Mr. HARRISON. Mr. President, unfortunately I did not hear all the remarks of the Senator from Connecticut. Is this bill designed to carry out one of the recommendations of the so-called Morrow Commission, which was appointed by the President to look into aviation?

Mr. BINGHAM. It is.

Mr. HARRISON. This is one of its recommendations?

Mr. BINGHAM. The board recommended that appropriate legislation be passed by Congress as soon as possible for the promotion of commercial air navigation. The board did not feel that it was in a position, or was requested by the President, to go into details as to what should be done, but left that to the Congress, making very strong recommendations for legislation providing for a new Assistant Secretary of Commerce and such legislation as might be needed in the judgment of Congress for promoting civil air navigation.

Mr. HARRISON. Did the committee, in the consideration of this proposed legislation, consider the question of a unified air service under one head—to put aviation in the military branch and in the naval branch and in the post-office branch and in this commercial service all under one head?

Mr. BINGHAM. It gave very long consideration to that; and if the Senator will examine the report of the President's Aircraft Board, a copy of which was sent the Senator some days ago, he will find early in the report, in reply to one of the five principal questions which the board undertook to answer in regard to future policy, the question as to whether commercial aviation should be put under the same head with military and naval aviation, a very emphatic "No," with all the reasons given therefor. If the Senator would like to have me do so, I shall be glad to give the reasons.

Mr. HARRISON. That was a unanimous report?

Mr. BINGHAM. It was a unanimous report.

Mr. HARRISON. Did the Commerce Committee consider the question?

Mr. BINGHAM. The Commerce Committee did not consider the question.

Mr. HARRISON. I ask that for this reason: That I think it was four years ago that President Harding recommended to the Congress the appointment of a joint commission on reorganization in the Government departments. The Senate appointed three members, the House appointed three, and the President appointed one. They worked for some three or four years on the question of reorganizing the departments, wiping out waste, and coordinating the bureaus as that could be done. We heard much about it. We heard it upon the stump; we heard it here and elsewhere, what great savings were going to be effected to the American taxpayer, how these departments should be put together under one head, so that economy and efficiency in service would be effected; but nothing has been done about it.

I was a little bit surprised the other day when the distinguished Senator from Utah [Mr. Smoot], who has been one of the dominant figures on that commission, offered another resolution, backing up on his original proposition of reorganization, evidently, and now, after collaboration with the Secretary of Commerce and the President, wanting two Senators appointed, and two Members of the House appointed, the President to appoint the fifth person. There is to be another commission, who can recommend to the President certain changes, and upon that recommendation the President can put the changes in force. So I suppose we will hear nothing else about the former reorganization proposition, about which the Senator from Utah talked so much and so long, and to which I suppose the Senator from Connecticut alluded in the campaign a time or two, but that we are to hear more about this new so-called Smoot-Mapes proposition, which I do not think will get very far.

The administration is apparently trying to put the various bureaus together to effect a saving, and this bill would accomplish just the opposite result.

I was wondering if the committee, an agency of the Senate, with so much conversation about this particular question, had given any consideration to putting the military branch of aviation and the naval branch of aviation and the post-office branch of aviation together with this commercial branch, in order that a great saving may be effected; but the Senator tells me that they have not considered that question, so I suppose when we pass the bill, which I am in favor of, and it goes to the President, he will veto it, because it will be against his reorganization policy.

Mr. KING. Mr. President, I would like to ask the Senator, in view of the comments of the Senator from Mississippi,

whether the work or activities provided for in the bill and to be performed under the direction of the Secretary of Commerce, might not be more effectively provided for and executed if we had a combined aeronautical service—an organization that properly cared for aviation for the Army, for the Navy, and for the Post Office. If this bill passes, or some other bill passes providing for aviation, it will provide for the development of aviation along this particular line. Why could not the work assigned here to the Department of Commerce be performed by some aeronautical department—call it a bureau or department or agency? Why could not that organization care for the work which here is to be devolved upon the Department of Commerce, and at the same time care for the necessities of the Army, of the Navy, and of the Post Office, especially with respect to the technique and the construction of aircraft and the rules for operating in interstate commerce?

Mr. BINGHAM. I may say to the distinguished Senator from Utah that the Aircraft Board gave very long and very careful consideration and read a great deal of testimony in regard to the matter which he has mentioned. The conclusion was finally reached that it was contrary to the policy of the United States to mix war and commerce; that we would not think of placing our merchant marine under the Navy nor the Navy and the merchant marine under the same head; and that in a similar way it would not lead to a proper development of commercial aircraft to put commercial aircraft and military aircraft under the same head, for either that head would cleave to the one and disregard the other or cleave to the other and disregard the one. If we want to promote commercial aviation we must put it under the control of a department to whom the Congress has intrusted the business of promoting commerce. If we want to promote military aviation, then we have to put it under the head of the department of the Government whose business it is to promote the military policy and national defense.

I ask the adoption of the committee amendment on page 8, to strike out all of section 16.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Committee on Commerce.

SEVERAL SENATORS. Let it be read.

The VICE PRESIDENT. The clerk will read the amendment.

The CHIEF CLERK. It is proposed to strike out section 16 of the bill in the following words:

SEC. 16. The National Advisory Committee for Aeronautics is hereby transferred to the Department of Commerce and shall perform its duties in accordance with rules and regulations approved by the Secretary of Commerce and under his general direction. The committee's annual report shall hereafter be submitted through the Secretary of Commerce, who shall transmit it to Congress with such recommendations as he may deem proper. The President is authorized to appoint three additional members of said committee, one an Assistant Secretary of War, one an Assistant Secretary of the Navy, and one an Assistant Secretary of Commerce, who shall be chairman of said committee. All unexpended appropriations or allotments therefrom for the National Advisory Committee for Aeronautics are hereby transferred to the Department of Commerce and shall be treated as if the Department of Commerce had been directly named in the laws making such appropriations. Such appropriations shall be expended under the general direction of the Secretary of Commerce.

The amendment was agreed to.

Mr. BAYARD. Mr. President, on page 7, section 15, line 25, between the words "duties" and "as" I move to amend by including the words "in relation thereto," so the sentence as amended would read:

To aid the Secretary of Commerce in fostering air navigation and to perform such duties in relation thereto as the President or the Secretary of Commerce may direct, etc.

The purpose of my amendment is that the Assistant Secretary of Commerce shall be confined to the duties set forth in this act. If we take the bill as drawn, we will find that under the language of the bill, section 15, the Assistant Secretary of Commerce may become a sort of Handy Andy to the President of the United States. If we do believe, and I think all of us must believe, that this is a tremendous operation we are starting, that the Secretary of Commerce does need an assistant to help out in it and that the major part of the work will fall upon the shoulders of the assistant, then my amendment should be adopted. I think he will have his hands entirely occupied with this matter, and I do not think it is fair to him individually or fair to the Government in the experimental stage through which they must go to ask that he be made a supernumerary for the benefit of presidential operations. I think he ought to be confined absolutely to this operation of our Government and for

that purpose I offer the amendment. I hope the Senator from Connecticut will accept it.

Mr. BINGHAM. Mr. President, I am obliged to object to the amendment offered by my friend the Senator from Delaware. I am afraid that it would not be in the interest of economy. While it is true that at the beginning of the duties which the bill would confer upon the Secretary of Commerce or the new Assistant Secretary of Commerce, he would find his hands more than full with promoting aviation, yet after he got it well organized it might be entirely possible that the Secretary of Commerce would intrust to him the supervision of other bureaus of the department, which would not overwork him and which would not interfere with his duties in connection with aviation. It does not seem to me, in view of our desire to promote economy, that we should tie the hands of the Secretary of Commerce so that the new Assistant Secretary could not do anything except in connection with aviation, although in the beginning and possibly for the first two or three years aviation would occupy most of his time.

Mr. BAYARD. May I ask the Senator from Connecticut why it is necessary to have him so directly under the government of the President? Why not put him under the Secretary of Commerce?

Mr. BINGHAM. I would not object to an amendment striking out the words "the President."

Mr. BAYARD. I would be satisfied with that. I withdraw my amendment, if I may, and now move to strike out the words "the President or" on line 25, page 7, and line 1, page 8.

Mr. BINGHAM. I have no objection.

The VICE PRESIDENT. The Senator from Delaware offers an amendment, which will be stated.

The CHIEF CLERK. In section 15, page 7, line 25, and page 8, line 1, strike out the words "the President or," so the section will read:

SEC. 15. To aid the Secretary of Commerce in fostering air navigation and to perform such duties as the Secretary of Commerce may direct, there shall be an Assistant Secretary of Commerce, who shall be appointed by the President by and with the advice and consent of the Senate, and who shall be entitled to a salary of \$7,500 a year, to be paid monthly.

Mr. KING. Mr. President, a parliamentary inquiry. Will that amendment, if agreed to, preclude a motion to strike out the entire section?

Mr. BINGHAM. It is a different section.

Mr. KING. I thought we were still on section 14.

Mr. BINGHAM. Old section 16 has already been stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Delaware.

The amendment was agreed to.

Mr. KING. For the purpose of eliciting information from the Senator from Connecticut, I move to strike out section 15, which calls for the creation of another office with a salary of \$7,500 per annum.

We are apparently greatly interested in multiplying the number of officials in the Federal Government and extending their powers and jurisdiction. We are not sufficiently bureaucratic and paternalistic yet, so we must increase the personnel.

We have heard a great deal about economy from our Republican friends, but they have preached but not practiced economy. For several years we have heard nothing but economy; but the appropriations prove the insincerity of the party in power. We are now told by the President that we have reached the limit of economy. That statement will be taken as a commission by the Republicans in Congress to increase the expenses of the Government and multiply the number of officeholders, but the examination reveals that the noisy declarations about economy have been without merit. With nearly \$4,000,000,000 of taxes expended this year by the Government as against \$1,000,000,000 before the war, and with a large increase in the bureaus and executive agencies which will be created by this Congress under a Republican administration, under the driving power of the Republican Party and Mr. Coolidge, who is so devoted to economy, the appropriations for the next fiscal year will be much larger and probably result in deficits to be met at the next session of Congress.

The program of economy witnesses at the beginning of the session the creation of a new Assistant Secretary of Commerce, with a salary of \$7,500 a year. But that is not the end of it, of course.

The Assistant Secretary of Commerce must have rooms and desks and all the paraphernalia that accompany that high office. Then he must have secretaries, assistant secretaries,

stenographers, and messengers. Then we will have airplanes and airdromes and places for the repair of airplanes, and more airplanes. This bill will increase the expenses of the Department of Commerce hundreds of thousands of dollars annually.

Sitting at the feet of Gamaliel and desiring information, I ask the Senator from Connecticut whether it is necessary to create another Assistant Secretary? There are some efficient men in the Department of Commerce who do really fine work. There are some who have made investigations along the line indicated by the bill. The activities of those agencies in the department may be coordinated by the Secretary of Commerce. He has the power to do it, and he may allocate to one individual the work which is being done now by any number of the branches in his department, or he may indicate some person who shall have charge of these various agencies which are devoting themselves more or less to aviation work. It seems to me that with the power of the Secretary to change the positions and activities of employees in his department, he could find some person qualified to perform the duties which this bill devolves upon a new Assistant Secretary of Commerce and thus save the Government many thousands of dollars.

Mr. BINGHAM. Mr. President, I hope my friend the Senator from Utah will withdraw his amendment. It would be most unfortunate if it were adopted. The Secretary of Commerce needs, or let us say, the Department of Commerce needs, a competent official, well paid and able, for the next two years to devote all of his time and attention to promoting air navigation in the United States. We are spending from \$14,000,000 to \$16,000,000 annually in promoting ocean navigation. We have not spent a cent to promote air navigation. There is not another country in the world that considers itself a world power or a country of the first magnitude that is not spending annually hundreds of thousands of dollars, if not millions of dollars, in promoting commercial air navigation.

The amendment of my friend from Utah would suggest that we can not afford to pay a man \$7,500 a year to devote his time and attention to fostering commercial air navigation in every way possible within the limits of the appropriations granted him by Congress and within the limits of the provisions of the bill. A similar bill passed by the Senate at the last Congress and one passed by the Senate in the Congress preceding provided an additional bureau. The Senator does not seem to realize that the pending bill does not provide an additional bureau. It provides merely an official of high grade who shall have the power of coordinating the existing bureaus and thereby save the expense that would come with the creation of an additional bureau and the appointment of the head of the bureau, and so forth. I hope the Senator from Utah will withdraw his amendment.

Mr. KING. The Senator, if I understood his position, said that the bill would not create an additional bureau. I think the Senator does not quite understand the activities of the assistant secretaries of the various departments. I repeat, if I may be permitted, that if we create a new Assistant Secretary, that creation carries with it something more than a bureau. It carries with it or will carry with it the appointment of a large number of employees. As I understood the Senator, the duty of the particular official for which this section makes provision is to coordinate the activities of agencies now existing in the Department of Commerce. I attempted to state when I had the floor a moment ago that there are agencies in the department that are giving attention to aviation. I stated that the Secretary of Commerce could designate one of these agencies, or some person who was qualified, to coordinate their activities and to integrate the work of all agencies now devoting attention to the question of aviation. It is not necessary that a new office be created. We do not need an Assistant Secretary of Commerce to coordinate the work of agencies which are now giving attention to aviation.

The Secretary of Commerce has the power to coordinate their work, to designate some one to take charge of and to direct them. I suggest to the Senator that some of the men in the department who are at the head of bureaus will be more familiar with the work which this bill calls for than some outside man who would be brought in. Why not promote one of the employees in the department or give him additional powers instead of creating a new office and providing for a multitude of additional employees?

I do not think, Mr. President, that my amendment, if it shall prevail, will at all interfere with the efficient working of this bill. I think the Senator ought to consent to the amendment. He ought to be willing now to turn his face in the direction of economy. If we shall pass this bill, if the Secretary of Commerce shall have the powers that are

provided for in the bill, then he can, out of the employees of his department, select one who will be suitable for the position; but if there is no one suitable for the position under existing law, I have no doubt the Secretary of Commerce could draw from the civil service some technician, some person qualified with respect to aviation, who could assume the responsibilities which this position will impose.

Mr. BINGHAM. Mr. President, I shall have to object to the amendment. The President's Aircraft Board, in considering a great many possible measures for promoting aviation, finally reported that in the present condition of the art and science it was impossible to state what was the best plan to look forward to, but laid its greatest emphasis on the best method of reaching good results and the desired attainment of the promotion of aviation. The Aircraft Board stated that it pinned its chief hope upon the fact that the Congress might provide three new assistant secretaries—an Assistant Secretary of War, an Assistant Secretary of the Navy, and an Assistant Secretary of Commerce—who would for their different departments promote aviation in those departments. Of course, we are not now considering the other assistant secretaries, but, if Congress should authorize the others, it is then the intention to introduce legislation which would confer upon the three assistant secretaries for aviation certain duties looking forward to coordinating and cooperating all the possible activities of the Government in promoting aviation.

I admit, as the Senator from Utah has stated, that it is going to be expensive. We can not look forward to promoting aviation without expense. We have tried to do it in the past; we have tried to go on since the World War without appropriating a single penny to the Department of Commerce for the promotion of aviation, but we have got to change our plan if we are to promote commercial aviation. I shall, therefore, have to object to the amendment proposed by the Senator from Utah, and I hope it may not be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. KING].

The amendment was rejected.

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole and is open to further amendment. If there be no further amendment, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BINGHAM. I ask that the Secretary be authorized to renumber the sections.

The VICE PRESIDENT. It will be so ordered.

HOLIDAY RECESS

Mr. WARREN. From the Committee on Appropriations I report back favorably without amendment House Concurrent Resolution 3. I ask unanimous consent for the immediate consideration of the concurrent resolution.

The resolution (H. Con. Res. 3) was read, considered by unanimous consent, and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn Tuesday, December 22, 1925, they stand adjourned until 12 o'clock meridian, Monday, January 4, 1926.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 3 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Thursday, December 17, 1925, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 16, 1925

MEMBER OF THE FEDERAL TRADE COMMISSION

Charles W. Hunt, of Iowa, to be a member of the Federal Trade Commission for the term expiring September 25, 1932. (Reappointment.)

MEMBER OF THE UNITED STATES SHIPPING BOARD

John Henry Walsh, of Louisiana, to be a member of the United States Shipping Board for the unexpired term of six years from June 9, 1923, to which office he was appointed during the last recess of the Senate, vice Frederick I. Thompson.

UNITED STATES DISTRICT JUDGE

Grover M. Moscovitz, of New York, to be United States district judge, eastern district of New York, vice Edwin L. Garvin, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 16, 1925

MEMBER OF THE FEDERAL BOARD FOR VOCATIONAL EDUCATION

C. F. McIntosh.

MEMBER OF THE UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

Harry Bassett.

SECRETARY OF THE TERRITORY OF ALASKA

Karl Theile.

SECRETARY OF THE TERRITORY OF HAWAII

Raymond C. Brown.

UNITED STATES DISTRICT ATTORNEY

Sawyer A. Smith, eastern district of Kentucky.

UNITED STATES MARSHALS

Benjamin E. Dyson, southern district of Florida.

Clarence R. Hotchkiss, district of Oregon.

POSTMASTERS

CONNECTICUT

Alfred W. Jeynes, Ansonia.
Moses G. Marcy, Falls Village.
William H. Gould, Fairfield.
Joseph Brush, Greenwich.
Ethel B. Sexton, Hazardville.
Edna M. Jenkins, Middlefield.
Manley J. Cheney, Milford.
Claude M. Chester, Noank.
Ellis Sylvernal, Norfolk.
Elbert W. Scoble, Orange.
Joseph V. Serena, Saugatuck.
Dexter S. Case, Sound View.
Louis M. Phillips, South Coventry.
Willis Hodge, South Glastonbury.
Wilbur C. Hawley, Stepney Depot.
Benjamin D. Parkhurst, Sterling.
Rollin S. Paine, Stony Creek.
Lewis B. Brand, Versailles.
Robert J. Benham, Washington.
Gertrude W. Tracy, Wauregan.
Edward F. Schmidt, Westbrook.
John L. Davis, Wilton.
William T. McKenzie, Yalesville.
S. Howard Bishop, Yantic.

MONTANA

Hazel F. McKinnon, Bearcreek.
Ezra A. Anderson, Belfry.
Fred B. Selleck, Buffalo.
John J. Kendig, Circle.
Emma E. Waddell, Custer.
Thomas Hirst, Deer Lodge.
William H. Jenkinson, Fort Benton.
George W. Edkins, Glacier Park.
Myrtle C. De Mers, Hot Springs.
Robert M. Fry, Park City.
Archie H. Neal, Philipsburg.
Harry L. Coulter, Plains.
Harry J. Waters, Rapelje.
Clark R. Northrop, Red Lodge.
Jean W. Albers, Redstone.
Harry O. Gregg, Richey.
Luther M. Hoham, Saco.
Harry W. Rhone, Sunburst.
William A. Francis, Virginia City.
Roy C. Stageberg, Westby.
Ray E. Willey, Wisdom.
Jessie Long, Worden.

NEBRASKA

Faith L. Kemper, Alma.
Edith F. Francis, Belden.
Astor B. Enborg, Bristow.
Cora E. Saal, Brock.
William L. Hallman, Bruning.
May T. Douglass, Calaway.
Esther Schwerdtfeger, Cambridge.

Lulu Woodbury, Center.
 Charles E. Cram, Craig.
 Henry Eichelberger, Crete.
 Ruby H. Gable, Crookston.
 Leo R. Conroy, Eddyville.
 John F. Brittain, Elsie.
 Garry Benson, Ewing.
 Lewis A. Meinzer, Falls City.
 Laurence B. Clark, Faith.
 Charles A. Shoff, Grafton.
 Catharine M. Coleman, Greenwood.
 Ernest T. Long, Haigler.
 Loren W. Enyeart, Hayes Center.
 Daniel W. Roderick, Hubbell.
 Ernest W. Clift, Humboldt.
 Lucile A. Lewis, Humphrey.
 Mary J. Flynn, Jackson.
 Elias E. Rodysill, Johnson.
 Tillie Valentine, Johnstown.
 Elizabeth Hempel, Kilgore.
 Henry C. Hooker, Leigh.
 Hattie M. Stone, McCool.
 Charles M. Houston, Miller.
 Archie B. Jones, Mitchell.
 Lester C. Kelley, Monroe.
 Leroy B. Gorthey, Murdock.
 Charles E. Putnam, Naper.
 Donald K. Warner, Oakdale.
 Edwin A. Baugh, Oakland.
 Frank H. Bottom, Ong.
 Isaac B. Lamborn, Palmyra.
 Esther R. Beers, Petersburg.
 Katie Heiliger, Plymouth.
 Amos W. Shafer, Polk.
 Luther J. Saylor, Rising City.
 Peter J. Johnson, Rosalie.
 Isaac L. Pindell, Sidney.
 Calvin E. Lewis, Stamford.
 William A. Pearson, Stella.
 Mary E. Hossack, Sutherland.
 August Dickenman, Talmage.
 Katherine Honey, Uehling.
 Harry C. Rogers, Upland.
 Harry P. Cato, Valley.
 Elroy A. Broughton, Venango.
 Inez M. Smith, Verdon.
 Albertus N. Dodson, Wilber.
 Edgar A. Wight, jr., Wolbach.
 John Q. Kirkham, Wood Lake.

NEW MEXICO

Berthold Spitz, Albuquerque.
 Perry E. Coon, Gallup.
 William W. Dedman, Hurley.
 Fred D. Huning, Los Lunas.
 Philip N. Sanchez, Mora.

PORTO RICO

Juan Aparicio Rivera, Adjuntas.
 Concepcion Torrens de Arrillaga, Anasco.
 Francisco Arrufat, Arroyo.
 Alfredo Gimenez y Moreno, Bayamon.
 Alfredo Font Irizarry, Cabo Rojo.
 Ramona Quinones, Catano.
 Julio Ramos, Cayey.
 Angel de Jesus Matos, Coamo.
 Eduvigis de la Rosa, Isabela.
 Angel F. Colon, Juana Diaz.
 Luis Clos, Naguabo.
 Augusto M. Garcia, Sabana Grande.
 Hortensia R. O'Neill, San German.
 Rafael del Valle, San Juan.
 Francisco Valdejuli, Yabucoa.
 Simon Semidei, Yauco.

TENNESSEE

Frank B. King, Alcoa.
 James M. Yokley, Baileyton.
 Thomas M. Boyd, Bruceton.
 Willard J. Springfield, Chattanooga.
 Carus S. Hicks, Clinton.
 Glenn A. Fortner, Cumberland Gap.
 David H. Hughes, Eagleville.
 Roscoe T. Carroll, Estill Springs.
 Lula L. Shearer, Farners.
 Peyton B. Anderson, Greenback.

Thomas D. Walker, Kerrville.
 James E. Miller, Kingsport.
 Arthur Taylor, Lenoir City.
 John D. M. Marshall, Lookout Mountain.
 William S. Gentry, McEwen.
 Thomas W. Thompson, Mount Juliet.
 Evan D. Phillips, Oliver Springs.
 William S. Stanley, Oneida.
 John W. Wiggs, Paris.
 William A. Reed, Pocahontas.
 Otis E. Jones, Prospect Station.
 James C. Key, Riceville.
 Clifford B. Perkins, Roan Mountain.
 Mettie M. Collins, Rutledge.
 William R. Hurst, Savannah.
 James H. Christian, Smithville.
 John L. Goin, Tazewell.
 Ben Sloan, Vonore.

HOUSE OF REPRESENTATIVES

WEDNESDAY, December 16, 1925

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou art still going on with life. Unto us may it mean something that is intense and filled with mighty and eternal consequences. Help us to meet the claims that conform to Thy holy will and to ever feel the constraints that are upon us. O Thou giver of life, take our lives, so often misused and contradictory, and restore, renew, and simplify them. Give us strength to use them better and wiser. Continue to work through us Thy great purposes which Thou hast for our country. Teach us that our love and faith are tested by what we are willing to suffer and sacrifice. Also impress us that these are the graces that bring us at the last to our heavenly Father. In the name of Christ we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

IMMIGRATION

Mr. VAILE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Germany and the immigration quota.

The SPEAKER. The gentleman from Colorado asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

Mr. BEGG. Reserving the right to object, is it the gentleman's own remarks?

Mr. VAILE. My own remarks.

There was no objection.

Mr. VAILE. Mr. Speaker, an organization composed of American citizens of German birth or descent, known as the Steuben Society of America, is waging a vigorous campaign for the amendment of the immigration act of 1924. The society is composed of representative and high-class citizens and its propaganda is dignified and expressed in a reasonable tone. That propaganda is, however, a complete mistake and is based upon a total misunderstanding of the facts of the case.

The amendment advocated is one which would prevent the going into effect of the new basis of immigration quota calculation known as the "National Origins Method," which, according to the language of the statute, is to become operative July 1, 1927. The amendment proposes to continue permanently the present method, based on the census of 1890, which the act intended to be temporary and to continue only until the Census Bureau should have had time to work out the other plan.

The matter will not be entirely clear without explanation, even to Members of Congress, unless they have had opportunity to follow the several steps of restrictive immigration legislation. Doubtless it is the lack of such opportunity which has caused the members of the Steuben Society to get so completely off the track. But to those who are in the least familiar with the recent development of immigration policy of the United States there is one fact which stands out as clearly as any fact can possibly stand out, and that is that far from discriminating against or in favor of any racial group, Congress has endeavored to treat them all with the most even-handed justice. When the removal of the last remaining vestige of discrimination is the purpose of the very provision of which the Steuben Society complains, the charge that that provision is discriminatory is one which ought to be promptly and emphatically refuted. Especially is such refutation due since it